Management Report

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Deutsche Bank

The Group at a glance

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price at period end</td>
<td>€ 32.95</td>
<td>€ 29.44</td>
</tr>
<tr>
<td>Share price high</td>
<td>€ 39.51</td>
<td>€ 48.70</td>
</tr>
<tr>
<td>Share price low</td>
<td>€ 22.11</td>
<td>€ 20.79</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>€ 0.25</td>
<td>€ 4.45</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>€ 0.25</td>
<td>€ 4.30</td>
</tr>
<tr>
<td>Average shares outstanding, in m., basic</td>
<td>934</td>
<td>928</td>
</tr>
<tr>
<td>Average shares outstanding, in m., diluted</td>
<td>960</td>
<td>957</td>
</tr>
<tr>
<td>Return on average shareholders’ equity (post-tax)</td>
<td>0.4%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Pre-tax return on average shareholders’ equity</td>
<td>1.3%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Pre-tax return on average active equity¹</td>
<td>1.3%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Book value per basic share outstanding</td>
<td>€ 57.37</td>
<td>€ 58.11</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>52.5%</td>
<td>38.7%</td>
</tr>
<tr>
<td>Compensation ratio</td>
<td>40.1%</td>
<td>39.5%</td>
</tr>
<tr>
<td>Noncompensation ratio</td>
<td>52.5%</td>
<td>38.7%</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>€ 33,741</td>
<td>€ 33,228</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>€ 1,721</td>
<td>€ 1,839</td>
</tr>
<tr>
<td>Total noninterest expenses</td>
<td>€ 31,236</td>
<td>€ 25,999</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>€ 784</td>
<td>€ 5,390</td>
</tr>
<tr>
<td>Net income</td>
<td>€ 291</td>
<td>€ 4,326</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>€ 2,012</td>
<td>€ 2,164</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>€ 54.0</td>
<td>€ 53.4</td>
</tr>
<tr>
<td>Common Equity Tier 1 capital ratio</td>
<td>11.4%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Tier 1 capital ratio</td>
<td>15.1%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Branches</td>
<td>2,984</td>
<td>3,078</td>
</tr>
<tr>
<td>thereof in Germany</td>
<td>1,944</td>
<td>2,039</td>
</tr>
<tr>
<td>Employees (full-time equivalent) thereof in Germany</td>
<td>98,219</td>
<td>100,996</td>
</tr>
<tr>
<td></td>
<td>46,308</td>
<td>47,323</td>
</tr>
<tr>
<td>Long-term rating</td>
<td>Moody’s Investors Service: A2</td>
<td>Aa3</td>
</tr>
<tr>
<td></td>
<td>Standard &amp; Poor’s: A+</td>
<td>A+</td>
</tr>
<tr>
<td></td>
<td>Fitch Ratings: A+</td>
<td>A+</td>
</tr>
</tbody>
</table>

¹ We calculate this adjusted measure of our return on average shareholders’ equity to make it easier to compare us to our competitors. We refer to this adjusted measure as our “Pre-tax return on average active equity”. However, this is not a measure of performance under IFRS and you should not compare our ratio based on average active equity to other companies’ ratios without considering the differences in the calculation of the ratio. The items for which we adjust the average shareholders’ equity of € 55.6 billion for 2012 and € 50.5 billion for 2011 are average accumulated other comprehensive income excluding foreign currency translation (all components net of applicable taxes) of € (197) million for 2012 and € (519) million for 2011, as well as average dividends of € 670 million in 2012 and € 617 million in 2011, for which a proposal is accrued on a quarterly basis and which are paid after the approval by the Annual General Meeting following each year. Tax rates applied in the calculation of average active equity are those used in the financial statements for the individual items and not an average overall tax rate.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.
Operating and Financial Review

The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes to them. Our consolidated financial statements for the years ended December 31, 2012 and 2011 have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, which issued an unqualified opinion.

Deutsche Bank Group

Our Organization

Headquartered in Frankfurt am Main, Germany, we are the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of € 2,012 billion as of December 31, 2012. As of that date, we employed 98,219 people on a full-time equivalent basis and operated in 72 countries out of 2,984 branches worldwide, of which 65% were in Germany. We offer a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

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

As of December 31, 2012 we were organized into the following five corporate divisions:

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

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

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

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

Please see Note 05 “Business Segments and Related Information” of our consolidated financial statements for a table with our net revenues split by geographical region, based on our management reporting systems.

Management Structure

We operate the five corporate divisions and the infrastructure functions under the umbrella of a “virtual holding company”. We use this term to mean that, while we subject the corporate divisions to the overall supervision of our Management Board, which is supported by infrastructure functions, we do not have a separate legal entity holding these five corporate divisions but we nevertheless allocate substantial managerial autonomy to them. To support this structure, key governance bodies function as follows:
The Management Board has the overall responsibility for the management of Deutsche Bank, as provided by the German Stock Corporation Act. Its members are appointed and removed by the Supervisory Board, which is a separate corporate body. Our Management Board focuses on strategic management, corporate governance, resource allocation, risk management and control, assisted by functional committees.

The Group Executive Committee was established in 2002. It comprises the members of the Management Board and senior representatives from our regions, corporate divisions and certain infrastructure functions appointed by the Management Board. The Group Executive Committee is a body that is not required by the Stock Corporation Act. It serves as a tool to coordinate our businesses and regions, discusses Group strategy and prepares recommendations for Management Board decisions. It has no decision making authority.

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

**Corporate Divisions**

**Corporate Banking & Securities Corporate Division**

**Corporate Division Overview**

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

The CB&S businesses are supported by the Credit Portfolio Strategies Group (CPSG), which was formerly known as the Loan Exposure Management Group (LEMG). CPSG has responsibility for a range of loan portfolios, actively managing the risk of these through the implementation of a structured hedging regime.

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

**Products and Services**

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

The Markets Business Division is responsible for the sales, trading and structuring of a wide range of fixed income, equity, equity-linked, foreign exchange and commodities products. The division aims to deliver solutions for the investing, hedging and other needs of customers. As part of the realignment of CB&S in November 2012, Rates and Flow Credit Trading businesses were integrated and the Structured Finance business was created to encompass non-flow financing and structured risk for clients across all industries and asset classes.

We exited our dedicated Equity Proprietary Trading business during 2010, following the exit of our dedicated Credit Proprietary Trading business during 2008. Along with managing any residual proprietary positions, we continue to conduct trading on our own account in the normal course of market-making and facilitating client business. For example, to facilitate customer flow business, traders will maintain short-term long positions (accumulating securities) and short positions (selling securities we do not yet own) in a range of securities and derivative products, reducing the exposure by hedging transactions where appropriate. While these activities give rise to market and other risk, we do not view this as proprietary trading.
All our trading activities are covered by our risk management procedures and controls which are described in detail in the Risk Report.

**Distribution Channels and Marketing**

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

**Global Transaction Banking Corporate Division**

**Corporate Division Overview**

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

- Trade Finance and Cash Management Corporates
- Trust & Securities Services and Cash Management Financial Institutions

On April 1, 2010, we closed the acquisition of parts of ABN AMRO’s commercial banking activities in the Netherlands.

**Products and Services**

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

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

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

**Distribution Channels and Marketing**

GTB develops and markets its own products and services in Europe, the Middle East, Asia and the Americas. The marketing is carried out in conjunction with the coverage functions both in this division and in CB&S.

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

**Asset & Wealth Management Corporate Division**

**Corporate Division Overview**

With € 944 billion of invested assets as of December 31, 2012, Deutsche Bank AWM is one of the world’s leading investment organizations. AWM helps individuals and institutions worldwide to protect and grow their wealth, offering traditional and alternative investments across all major asset classes. AWM also provides customized wealth management solutions and private banking services to high-net-worth and ultra-high-net-worth individuals and family offices.

AWM comprises former Private Wealth Management (PWM) and Asset Management (AM) businesses as well as passive and third party alternatives businesses that were re-assigned from CB&S to AWM in the fourth quarter 2012. The combined division has sizable franchises in both retail and institutional asset and wealth...
management, allowing both clients and Deutsche Bank Group to benefit from its scale. In addition, non-core assets and businesses were re-assigned from AWM to the NCOU in the fourth quarter 2012. AWM now consists of two major pillars: Investment Platform and Coverage/Advisory.

In November 2011, we completed the step-acquisition of Deutsche UFG Capital Management ("DUCM"), one of Russia’s largest independent asset management companies. The transaction followed our exercise of a purchase option on the remaining 60 % stake. We now fully control DUCM, which was previously accounted for under the equity method.

Since March 2010, Sal. Oppenheim jr. & Cie. S.C.A. has been a wholly owned subsidiary of Deutsche Bank AG. All Sal. Oppenheim Group operations, including all of its asset management activities, the investment bank, BHF-BANK Group, BHF Asset Servicing GmbH (BAS) and Sal. Oppenheim Private Equity Partners S.A. were transferred to Deutsche Bank. The Equity Trading & Derivatives and Capital Markets Sales units were sold to Australia’s Macquarie Group in the second quarter 2010, while BAS was sold to Bank of New York Mellon in the third quarter 2010. As of January 1, 2011, BHF-BANK was transferred from former PWM to former CI.

Products and Services
The Investment Platform offers capabilities across a diverse array of asset classes and covers the former AM businesses. The Investment Platform provides securities investment management and investment management of third party real property, infrastructure, private equity and hedge fund portfolios. In addition, the Investment Platform comprises the businesses transferred from CB&S, i.e., the passive investment business, including the ETF business, and third-party alternatives businesses as well as Abbey Life, which is a closed book life insurance business.

Finally, the Investment Platform also offers customized wealth management solutions and private banking services including lending and discretionary portfolio management.

The second major pillar of AWM is Coverage/Advisory, focusing on the connecting and engaging with clients. Beside the coverage of Institutional and Key Clients, this also includes the Wealth Management teams for Germany, Sal. Oppenheim, EMEA, Americas and APAC. Coverage/Advisory has a strong footprint in Europe and North America, and is expanding in emerging markets.

All businesses deliver superior service to their clients through a strong investment performance in a broader range of products and by providing customized advice and services, including strong risk management.

Distribution Channels and Marketing
A major competitive advantage for AWM is the fact that it is a private bank within Deutsche Bank, with its substantial investment banking, corporate banking and asset management activities. In order to make optimal use of the potential offered by cross-divisional cooperation, since 2007 AWM has established Key Client Teams in order to serve clients with very complex assets and highly sophisticated needs. Coverage offers these clients the opportunity to make direct additional purchases, co-invest in its private equity activities or obtain direct access to its trading units.

AWM Coverage/Advisory possesses well-established and worldwide internal distribution channels. It pursues an integrated business model to cater to the complex needs of high-net-worth clients and ultra-high-net-worth individuals, family offices and selected institutions. The relationship managers work within target customer groups, assisting clients in developing individual investment strategies and creating enduring relationships with our clients.

AWM also markets and distributes its offering through other business divisions of Deutsche Bank Group, notably PBC for retail customers and CB&S for institutional and corporate customer, as well as through third-party distributors.
Private & Business Clients Corporate Division

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

The PBC Corporate Division is organized into the following business units:

— Advisory Banking Germany, which comprises all of PBC’s activities in Germany excluding Postbank.
— Advisory Banking International, which covers PBC’s European activities outside Germany and PBC’s activities in Asia including our stake in and partnership with Hua Xia Bank.
— Consumer Banking Germany, which mainly comprises the contribution of Postbank Group to the consolidated results of Deutsche Bank.

With establishment of the NCOU, PBC reassigned several business portfolios as well as non-strategic activities, in particular in non-strategic locations, into the new corporate division.

In 2012, we continued our balanced growth with a strategic focus on balance sheet based business, e.g. mortgages.

With the integration of Postbank, we strengthen and expanded our leading market position in our German home market, offering synergy potential and growth opportunities. By combining the businesses we aim at increasing the share of retail banking earnings in the results of the Group and further strengthening and diversifying the refinancing basis of the Group due to significantly increased volumes of retail customer deposits. Postbank continues to exist as a stand-alone stock corporation and remains visible in the market under its own brand. With the conclusion of the domination and profit and loss transfer agreement and the continued execution of the integration of Postbank into PBC, we seek to significantly progress towards our integrated business model and generate considerable revenue and costs synergies.

We have consolidated Deutsche Postbank Group since December 2010. Further information on the Postbank acquisition is included in Note 04 “Acquisitions and Dispositions”.

In Europe we are focusing on low risk products and advisory services for affluent and business customers. Our profitable brand network operates in five major banking markets in Continental Europe: Italy, Spain, Portugal, Belgium and Poland.

In Asia, PBC operates a branch network supported by a mobile sales force in India and holds a 19.99% stake in the Chinese Hua Xia Bank, with which it has a strategic partnership and cooperation arrangement. As part of this, we and Hua Xia Bank have jointly developed and distributed credit cards in China. In India, PBC currently has seventeen branches. India and China are considered Asian core markets for PBC. While further growing the franchise in India through continuous branch openings, our China strategy focuses on leveraging our stake in Hua Xia Bank.

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

We provide portfolio/fund management (investment advice, discretionary portfolio management and securities custody services) and brokerage services to our clients.

We provide loan and deposit services, with the a strategy focusing on property financing (including mortgages) and consumer and commercial loans, as well as traditional current accounts, savings accounts and time deposits. The property finance business, which includes mortgages and construction finance, is our most significant lending business. We provide property finance loans primarily for private purposes, such as home
financing. Most of our mortgages have an original fixed interest period of five or ten years. Loan and deposit products also include the home loan and savings business in Germany, offered through our subsidiaries Deutsche Bank Bauspar AG and BHW Bausparkasse AG. Our lending businesses are subject to our credit risk management processes, both at origination and on an ongoing basis. For further discussion of these processes please see the “Monitoring Credit Risk” and “Main Credit Exposure Categories” sections in the Risk Report.

PBC’s deposits and payment services consist of administration of current accounts in local and foreign currency as well as settlement of domestic and cross-border payments on these accounts. They also include the purchase and sale of payment media and the sale of insurance products, home loan and savings contracts and credit cards. In the ongoing low interest rate environment in Germany, we maintained our focus on stabilizing our deposit base, including sight deposits, while growing our deposit base in Europe, where we optimized our local funding.

Distribution Channels and Marketing
To achieve a strong brand position internationally, we market our services consistently throughout the European and Asian countries which are of strategic focus and in which PBC is active directly. In order to make banking products and services more attractive to clients, we seek to optimize the accessibility and availability of our services. To accomplish this, we deploy self-service functions and technological advances to supplement our branch network with an array of access channels to PBC’s products and services. These channels consist of the following in-person and remote distribution points:

— **Investment and Finance Centers.** Investment and Finance Centers offer our entire range of products and advice.
— **Financial Agents.** In most countries, we market our retail banking products and services through self-employed financial agents.
— **Call Centers.** Call centers provide clients with remote services supported by automated systems. Remote services include access to account information, securities brokerage and other basic banking transactions.
— **Internet.** On our website, we offer clients brokerage services, account information and product information on proprietary and third-party investment products. These offerings are complemented with services that provide information, analysis tools and content to support the client in making independent investment decisions.
— **Self-service Terminals.** These terminals support our branch network and allow clients to withdraw and transfer funds, receive custody account statements and make appointments with our financial advisors.

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

Non-Core Operations Unit Corporate Division
In November 2012, we established the NCOU. The NCOU operates as a separate corporate division alongside Deutsche Bank’s core businesses. The NCOU manages assets with a value of approximately € 100 billion and Basel 2.5 risk-weighted assets (“RWA”) equivalent of € 80 billion, as of December 31, 2012.

As set out in Strategy 2015+, our objectives in setting up the NCOU are to improve external transparency of our non-core positions; to increase management focus on the core operating businesses by separating the non-core activities; and to facilitate targeted accelerated de-risking.
In addition to managing our global principal investments and holding certain other non-core assets to maturity, targeted de-risking activities within the NCOU will help us reduce risks that are not related to our planned future strategy, thereby reducing capital demand. In carrying out these targeted de-risking activities, the NCOU will prioritize for exit those positions with less favorable capital and risk return profiles to enable the Bank to strengthen its Core Tier 1 capital ratio under Basel 3.

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

In RWA terms the majority has been assigned from CB&S, and includes credit correlation trading positions, securitization assets, exposures to monoline insurers and assets reclassified under IAS 39. Assets assigned from PBC include Postbank commercial real estate assets outside core markets, Postbank capital-intensive structured credit products, selected foreign residential mortgages and other financial investments, such as the structured credit and the GIIPS portfolio which have already been in run-off for a number of years, and the repo matched book with balance sheet leverage no longer deemed strategic for Postbank. NCOU’s portfolio also contains all those assets previously booked and managed in the former Group Division CI. These are the Bank’s global principal investment activities and include our stakes in the port operator Maher Terminals, The Cosmopolitan of Las Vegas and BHF-BANK.

Effective January 1, 2011, the exposure in Actavis Group was transferred from CB&S to former CI. During the fourth quarter 2012, we completed the sale of Actavis Group from the NCOU.

As of January 1, 2011, BHF-BANK, was transferred from AWM to former CI.

In December 2010, the former CI transferred the investment in Deutsche Postbank AG to PBC. Also in December 2010, The Cosmopolitan of Las Vegas property started its operations.

**Infrastructure and Regional Management**

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

This infrastructure group is organized to reflect the areas of responsibility of those Management Board members that are not in charge of a specific business line. The infrastructure group is organized into COO functions (e.g., global technology, global business services, global logistics services and group strategy & planning), CFO functions (e.g., finance, tax, insurance and treasury), CRO functions (e.g., credit risk management and market risk management), CEO functions (e.g., communications & corporate social responsibility and economics) and HR, Legal & Compliance functions.

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

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

The Global Economy
The global economy was impacted by numerous negative factors in 2012: the sovereign debt crisis in Europe, the fiscal cliff in the U.S., geopolitical risks in the Middle East and rising commodities and food prices. In 2012, global economic growth continued to decline to an estimated 2.9 % after an already slower growth of 3.8 % in 2011.

As in 2011, the slowdown took place predominantly in the industrialized countries, which only expanded by an estimated 1.2 %. The industrialized countries still face major structural challenges. The reduction in state deficits and the cutting back of private debt led to lower growth in the eurozone in particular. In addition, the increased political uncertainties in the eurozone and the U.S. had a negative impact on the global economy. By contrast, growth was supported by the extremely expansive monetary policy of the major central banks, which lowered their key interest rates to historically low levels and also undertook extensive quantitative easing measures.

The eurozone went into recession in 2012 due to increased uncertainty over the further development of the sovereign debt crisis, fiscal consolidation and weakened demand for exports. Economic activity fell by an estimated 0.5 %, following 1.4 % growth in 2011. A stabilizing effect came from the announcement made by the European Central Bank in September 2012 that it would make unlimited purchases of sovereign bonds, subject to strict conditionality (Outright Monetary Transactions), as well as the clear commitment of eurozone governments for all current members to stay in the eurozone. The German economy weakened noticeably over the year due to reduced demand for exports and falling investment activity, and it likely contracted towards the end of 2012. As an annualized average, the German economy grew by an estimated 0.7 % following an increase of 3.0 % in 2011.

In the U.S. economy, growth was relatively robust with estimated 2.3 % in 2012, which was somewhat stronger than the 1.8 % in the previous year. Although the real estate market stabilized and unemployment gradually fell over the year, doubts over the resolution of the fiscal cliff are thought to have caused growth to slow towards the end of the year. In Japan, where the clean-up and rebuilding efforts in the wake of the tsunami and the nuclear catastrophe and the government’s economic stimulus measures had a positive effect on economic activity in the first half of 2012, economic output declined again from mid-year. For the year as a whole, Japan’s economy probably grew by 2.0 %.

Due to the close links between the financial and real economies, the global development had negative effects on economic activity in emerging markets. Growth in emerging markets cooled down to an estimated 4.7 %, but there are clear differences in growth between the regions. Growth in Asia (excluding Japan) slowed down from 7.5 % in 2011 to 5.9 % in 2012. China's growth moderated considerably to 7.8 % year-on-year, the slowest since 1999, due to the confluence of stagnating external demand and a deliberate attempt to restrain stimulus with a view to rebalance the economic structure. India’s growth also slowed significantly to 4.6 % year-on-year, the lowest in a decade, as domestic demand was hit by tight liquidity and stubborn inflation. Economic activity in Latin America cooled off to 2.9 % in 2012, following 4.7 % growth in 2011. Brazilian economic growth continued to disappoint in 2012, slowing to an estimated 1 % from an already weak 2.7 % in 2011. While domestic demand and labor markets remained strong, investment was weak and exports were weighed down by stagnating global economic activity and lower prices for several commodities.
The Banking Industry

The banking industry in 2012 saw another year marked by high uncertainty, yet with sentiment gradually improving in the last six months due to retreating concerns about the future of European Monetary Union and about the global growth outlook.

Capital market developments closely echoed these trends. Overall, global M&A activity and equities issuance remained subdued, while debt issuance soared to record highs both in the investment-grade and the high-yield segment. This was particularly true in the second half of the year when investor risk appetite returned and bond yields came down significantly. Corporate bond issuance in 2012 was stronger than ever before. Total investment banking revenues declined slightly compared with the prior year, with Europe and Asia weakening and the fee volume in America rising. Similar to the advisory and underwriting business, equities trading activity was relatively low, with falling margins putting additional pressure on revenues. Fixed-income trading rebounded somewhat from a poor prior year result, though earnings remained below 2009/10 levels.

In commercial banking, Europe and the U.S. were diverging even more markedly than in the years before: U.S. banks continued their recovery and are now as profitable as at the pre-crisis peak. Lending volumes are growing, especially with companies borrowing more, but with the real estate market finally having turned the corner, household lending and particularly residential mortgages may have also bottomed out. In Europe, by contrast, corporate loans shrunk throughout the year, with the pace of contraction accelerating rather than slowing down. Lending to households, at least, remained by and large stable. Deposit growth continued at moderate speed on both sides of the Atlantic, though it lost some momentum in the U.S. In addition, differences in asset quality developments were partly responsible for the diverging fortunes between European banks, which saw loan loss provisions rising again for the first time since 2009 and U.S. institutions, which recorded a further fall in provisions to their lowest level in five years.

Asset and wealth management benefited from rising equity and bond markets, particularly in the second half of the year, and from investors increasingly searching for yield in a close-to-zero interest rate environment. Globally, bond funds attracted the bulk of net new money, whereas many equity and money market funds recorded net outflows. As in the past few years, the passively managed segment grew faster than actively managed funds.

New regulation had a significant impact on the industry: While European banks still had to cope with the tightening effect of Basel 2.5, the foreshadowing of Basel 3 was felt throughout the banking sector as investors and analysts demanded early compliance. Furthermore, new consumer and investor protection rules and market infrastructure regulations such as the Markets in Financial Instruments Directive II and European Market Infrastructure Regulation (the former being drawn up and the latter taking effect) had a largely negative effect on banks’ earnings. In the eurozone, political leaders agreed on a transfer of supervisory powers over the largest banks from national authorities to the European Central Bank (ECB), as part of a more comprehensive shift towards a “Banking Union”. Finally, the banking industry in the U.S. as well as in Europe suffered steep fines and losses in confidence as litigation issues continued to mount.

Deutsche Bank

The market environment in 2012 continued to be difficult. A slowdown in economic growth could be observed predominantly in the industrialized countries, while conditions in the eurozone have stabilized only since mid-2012. Structural debt levels in mature economies were still high and were reflected in strong client demand. The macro-political environment, however, perpetuated low interest rate levels. Equity markets could not yet consistently profit from the stabilized environments, resulting in volatile market conditions, favoring only the derivative segment of the market. Many other markets and products saw competitive pressures, margin compression, declining volumes and macro-economic and regulatory uncertainties which caused volatility. As a result, this led to risk aversion among investors with especially private investors remaining wary for most of the year.
Despite this challenging environment, our revenue performance was resilient, with increases in almost every business division in the “Core Bank” (CB&S, GTB, AWM and PBC), and our provision for credit losses was lower than in the prior year. However, results especially in the second half of 2012 reflected the impact of several actions taken to mobilize our Strategy 2015+. These actions resulted mainly in higher noninterest expenses versus the full-year 2011, including cost-to-achieve related to our Operational Excellence Program (OpEx) and the integration of Postbank totaling €0.9 billion. We met the savings objectives of OpEx for year-end 2012, achieving savings of €0.4 billion in the second half of 2012. Expenses also included impairments of goodwill and other intangible assets (€1.9 billion) as well as significant litigation-related charges (€2.2 billion). In addition, our results in 2012 were impacted by further specific items of €1.3 billion, such as charges related to turnaround measures in our commercial banking activities in the Netherlands, other net charges and results from de-risking in the NCOU.

In this context, we generated a 2012 net income of €291 million (2011: €4.3 billion) and income before income taxes of €784 million compared with €5.4 billion in 2011. Excluding the impairment of goodwill and other intangible assets as well as the significant litigation-related charges, full year income before income taxes for the Group would have been €4.9 billion in 2012, to which the Core Bank contributed €6.5 billion.

In 2012, we have reviewed our variable compensation levels and established a Compensation Panel. As a first result, though compensation and benefits expenses increased 3% in 2012 from 2011, variable compensation has come down by 11% versus 2011, and we reduced our deferral rate from 61% to 47%, thus reducing respective charges on future year’s results.

Overall, we considerably strengthened our capital position, liquidity reserves and refinancing sources and, thus, should be well prepared for further potential challenges caused by market turbulences and stricter regulatory rules. Due to the annual net income and the accelerated capital formation and de-risking activities, including measures taken in the NCOU, our Tier 1 capital ratio according to Basel 2.5 improved to a record level of 15.1% and our Core Tier 1 capital ratio increased to 11.4% as of December 31, 2012. The pro-forma Basel 3 fully-loaded Core Tier 1 capital ratio also increased substantially to 7.8% up from less than 6% in the preceding year and surpassed the communicated target of 7.2%, reflecting strong delivery on portfolio optimization and de-risking of non-core activities, as well as model and process enhancements.

Risk-weighted assets at year-end 2012 were €334 billion, versus €381 billion at year-end 2011, largely due to management actions aimed at de-risking our business. In the second half of 2012, we achieved a reduction in pro-forma Basel 3 risk-weighted asset equivalents of €80 billion, versus our communicated target of €90 billion for March 31, 2013.

Our liquidity reserves were in excess of €230 billion as of December 31, 2012, including reserves held on a Postbank AG level, which contributed in excess of €25 billion at year-end (December 31, 2011: €223 billion, excluding Postbank).
### Condensed Consolidated Statement of Income

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease) from 2011</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Net interest income</strong></td>
<td>15,891</td>
<td>17,445</td>
<td>15,583</td>
<td>(1,554) (9)</td>
<td>1,862 (12)</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>1,721</td>
<td>1,839</td>
<td>1,274</td>
<td>(118) (6)</td>
<td>565 (44)</td>
</tr>
<tr>
<td><strong>Net interest income after provision for credit losses</strong></td>
<td>14,170</td>
<td>15,606</td>
<td>14,309</td>
<td>(1,436) (9)</td>
<td>1,297 (9)</td>
</tr>
<tr>
<td>Commissions and fee income</td>
<td>11,510</td>
<td>11,544</td>
<td>10,669</td>
<td>(34) (0)</td>
<td>875 (8)</td>
</tr>
<tr>
<td><strong>Net gains (losses) on financial assets/liabilities at fair value through profit or loss</strong></td>
<td>5,599</td>
<td>3,058</td>
<td>3,354</td>
<td>2,541 83 (296)</td>
<td>296 (9)</td>
</tr>
<tr>
<td>Net gains (losses) on financial assets available for sale</td>
<td>301</td>
<td>123</td>
<td>201</td>
<td>178 (78)</td>
<td>(78) (39)</td>
</tr>
<tr>
<td><strong>Net income (loss) from equity method investments</strong></td>
<td>159</td>
<td>(264)</td>
<td>(2,004)</td>
<td>423 N/M</td>
<td>1,740 (87)</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>281</td>
<td>1,322</td>
<td>764</td>
<td>(1,041) (79)</td>
<td>558 (73)</td>
</tr>
<tr>
<td><strong>Total noninterest income</strong></td>
<td>17,850</td>
<td>15,783</td>
<td>12,984</td>
<td>2,067 13 (2,406)</td>
<td>2,799 (22)</td>
</tr>
<tr>
<td><strong>Total net revenues</strong></td>
<td>32,020</td>
<td>31,389</td>
<td>27,293</td>
<td>6,099 21</td>
<td>4,096 (15)</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>15,526</td>
<td>13,135</td>
<td>12,671</td>
<td>391 3</td>
<td>464 (4)</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>15,016</td>
<td>12,657</td>
<td>10,133</td>
<td>2,359 19 (2,524)</td>
<td>2,524 (25)</td>
</tr>
<tr>
<td>Policyholder benefits and claims</td>
<td>414</td>
<td>207</td>
<td>485</td>
<td>207 (100)</td>
<td>(278) (57)</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>1,886</td>
<td>–</td>
<td>201</td>
<td>1,886 N/M</td>
<td>(20) N/M</td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>394</td>
<td>–</td>
<td>–</td>
<td>394 N/M</td>
<td>N/M – N/M</td>
</tr>
<tr>
<td><strong>Total noninterest expenses</strong></td>
<td>31,236</td>
<td>25,999</td>
<td>23,318</td>
<td>5,237 20 (2,681)</td>
<td>2,681 (11)</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>784</td>
<td>5,390</td>
<td>3,975</td>
<td>(4,606) (85)</td>
<td>1,415 (36)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>493</td>
<td>1,064</td>
<td>1,645</td>
<td>(571) (54)</td>
<td>(581) (35)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>291</td>
<td>4,326</td>
<td>2,330</td>
<td>(4,035) (94)</td>
<td>1,996 (79)</td>
</tr>
<tr>
<td><strong>Net income attributable to noncontrolling interests</strong></td>
<td>54</td>
<td>194</td>
<td>20</td>
<td>(140) (72)</td>
<td>174 N/M</td>
</tr>
<tr>
<td><strong>Net income attributable to Deutsche Bank shareholders</strong></td>
<td>237</td>
<td>4,132</td>
<td>2,310</td>
<td>(3,895) (94)</td>
<td>1,822 (79)</td>
</tr>
</tbody>
</table>

N/M – Not meaningful

1 After provision for credit losses.

### Results of Operations

#### Consolidated Results of Operations

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

#### Net Interest Income

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease) from 2011</th>
<th>2011 increase (decrease) from 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total interest and similar income</strong></td>
<td>32,242</td>
<td>34,878</td>
<td>28,779</td>
<td>(2,636) (8)</td>
<td>6,099 (21)</td>
</tr>
<tr>
<td><strong>Total interest expenses</strong></td>
<td>16,351</td>
<td>17,433</td>
<td>13,196</td>
<td>(1,083) (6)</td>
<td>4,237 (32)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>15,891</td>
<td>17,445</td>
<td>15,583</td>
<td>(1,554) (9)</td>
<td>1,862 (12)</td>
</tr>
<tr>
<td><strong>Average interest-earning assets</strong></td>
<td>1,241,791</td>
<td>1,174,201</td>
<td>993,780</td>
<td>67,590 6</td>
<td>180,421 (18)</td>
</tr>
<tr>
<td><strong>Average interest-bearing liabilities</strong></td>
<td>1,120,540</td>
<td>1,078,721</td>
<td>933,537</td>
<td>41,819 4</td>
<td>145,184 (16)</td>
</tr>
<tr>
<td><strong>Gross interest yield</strong></td>
<td>2.61 %</td>
<td>2.97 %</td>
<td>2.90 %</td>
<td>(0.36) ppt (12)</td>
<td>0.07 ppt (2)</td>
</tr>
<tr>
<td><strong>Gross interest rate paid</strong></td>
<td>1.48 %</td>
<td>1.62 %</td>
<td>1.41 %</td>
<td>(0.14) ppt (9)</td>
<td>0.21 ppt (15)</td>
</tr>
<tr>
<td><strong>Net interest spread</strong></td>
<td>1.14 %</td>
<td>1.35 %</td>
<td>1.48 %</td>
<td>(0.21) ppt (16)</td>
<td>(0.13) ppt (9)</td>
</tr>
<tr>
<td><strong>Net interest margin</strong></td>
<td>1.28 %</td>
<td>1.49 %</td>
<td>1.57 %</td>
<td>(0.21) ppt (14)</td>
<td>(0.08) ppt (5)</td>
</tr>
</tbody>
</table>

ppt – Percentage points

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

The decrease in net interest income in 2012 of € 1.6 billion, or 9 %, to € 15.9 billion compared to € 17.4 billion in 2011, was primarily driven by lower interest income on CB&S trading assets resulting from a lower interest rate environment and reduced asset volumes as well as by lower net interest income in the NCOU due to a
reduced asset base as a result of de-risking. The remaining decline was further impacted by lower interest income in PBC based on a decrease of Purchase Price Allocation (PPA) effects, following the acquisition of Postbank. These developments contributed to a tightening of our net interest spread by 21 basis points and to a decline in our net interest margin by 21 basis points.

The development of our net interest income is also impacted by the accounting treatment of some of our hedging-related derivative transactions. We entered into nontrading derivative transactions primarily as economic hedges of the interest rate risks of our nontrading interest-earning assets and interest-bearing liabilities. Some of these derivatives qualify as hedges for accounting purposes while others do not. When derivative transactions qualify as hedges of interest rate risks for accounting purposes, the interest arising from the derivatives is reported in interest income and expense, where it offsets interest flows from the hedged items. When derivatives do not qualify for hedge accounting treatment, the interest flows that arise from those derivatives will appear in trading income.

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

<table>
<thead>
<tr>
<th>in € m.</th>
<th>2012 increase (decrease) from 2011</th>
<th>2011 increase (decrease) from 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(unless stated otherwise)</td>
<td>in € m. in %</td>
<td>in € m. in %</td>
</tr>
<tr>
<td>CB&amp;S – Sales &amp; Trading (equity)</td>
<td>998</td>
<td>312</td>
</tr>
<tr>
<td>Non-Core Operations Unit</td>
<td>(1,256)</td>
<td>(1,564)</td>
</tr>
<tr>
<td>Other</td>
<td>1,366</td>
<td>(27)</td>
</tr>
<tr>
<td>Total net gains (losses) on financial assets/liabilities at fair value through profit or loss</td>
<td>5,599</td>
<td>3,058</td>
</tr>
</tbody>
</table>

N/M – Not meaningful

Net gains on financial assets/liabilities at fair value through profit or loss increased by € 2.5 billion to € 5.6 billion for the full year 2012. The majority of the increase in net gains on financial assets/liabilities at fair value through profit or loss arose outside our Sales & Trading business. Special factors were mainly gains on remaining products held at fair value in CB&S arising from refinements in methodology used to calculate Debt Valuation Adjustments (DVA) on derivative liabilities, a decrease of fair value losses at Abbey Life in AWM and higher net gains in Consolidation & Adjustments (C&A) related to U.S. dollar/euro basis swaps designated as net investment hedges for capital investments in US entities. The increase of € 686 million of net gains on financial assets/liabilities at fair value through profit or loss in Sales & Trading (equity) was due to volatile market conditions leading to an increase in client trading activities and resulting in higher revenues from equity derivatives as well as higher fair value gains in Prime Finance. The increase of € 154 million on net gains on financial assets/liabilities at fair value through profit or loss in Sales & Trading (debt and other products) was mainly driven by higher Flow Credit revenues reflecting improved credit market conditions and higher Rates revenues driven by strong client activity. This was partially offset by lower revenues in Money Markets due to reduced volatility. The NCOU showed a decrease in net losses due to a smaller asset base as a result of de-risking activity and fair value movements on the non-core assets particularly in credit spreads.

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

Our trading and risk management businesses include significant activities in interest rate instruments and related derivatives. Under IFRS, interest and similar income earned from trading instruments and financial instruments designated at fair value through profit or loss (e.g., coupon and dividend income) and the costs of funding net trading positions are part of net interest income. Our trading activities can periodically shift income between net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss depending on a variety of factors, including risk management strategies.

In order to provide a more business-focused discussion, the following table presents net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss by corporate division and by product within CB&S.
<table>
<thead>
<tr>
<th>Net interest income</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease) from 2011 in € m.</th>
<th>2011 increase (decrease) from 2010 in € m.</th>
<th>in %</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15,891</td>
<td>17,445</td>
<td>15,583</td>
<td>(1,554)</td>
<td>1,862</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Total net gains (losses) on financial assets/liabilities at fair value through profit or loss</td>
<td>5,599</td>
<td>3,058</td>
<td>3,354</td>
<td>2,541</td>
<td>(296)</td>
<td>83</td>
<td>(9)</td>
</tr>
<tr>
<td>Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss</td>
<td>21,490</td>
<td>20,503</td>
<td>18,937</td>
<td>987</td>
<td>1,566</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

**Breakdown by Corporate Division/product:**

- **Sales & Trading (equity)**: 1,738
  - 2012: 1,504
  - 2011: 2,151
  - 2010: 235
  - Increase (decrease) from 2011: 16
  - Increase (decrease) from 2010: (648) (30)
- **Sales & Trading (debt and other products)**: 8,212
  - 2012: 8,107
  - 2011: 9,102
  - 2010: 105
  - Increase (decrease) from 2011: 1
  - Increase (decrease) from 2010: (995) (11)
- **Total Sales & Trading**: 9,951
  - 2012: 9,611
  - 2011: 11,253
  - 2010: 340
  - Increase (decrease) from 2011: 4
  - Increase (decrease) from 2010: (1,642) (15)
- **Loan products**: 337
  - 2012: 353
  - 2011: 171
  - Increase (decrease) from 2011: (16)
  - Increase (decrease) from 2010: (5) 182 106
- **Remaining products**: 1,015
  - 2012: 353
  - 2011: 353
  - 2010: 479
  - Increase (decrease) from 2011: 90
  - Increase (decrease) from 2010: 182 52
- **Corporate Banking & Securities**: 11,303
  - 2012: 10,499
  - 2011: 11,777
  - 2010: 804
  - Increase (decrease) from 2011: 8
  - Increase (decrease) from 2010: (1,278) (11)
- **Global Transaction Banking**: 1,869
  - 2012: 1,842
  - 2011: 1,451
  - 2010: 27
  - Increase (decrease) from 2011: 1
  - Increase (decrease) from 2010: (391) 27
- **Asset & Wealth Management**: 1,451
  - 2012: 991
  - 2011: 1,179
  - 2010: 460
  - Increase (decrease) from 2011: 46
  - Increase (decrease) from 2010: (188) (16)
- **Private & Business Clients**: 8,221
  - 2012: 6,623
  - 2011: 3,875
  - 2010: 403
  - Increase (decrease) from 2011: (6)
  - Increase (decrease) from 2010: 2,748 71
- **Non-Core Operations Unit**: 277
  - 2012: 588
  - 2011: 321
  - 2010: (311)
  - Increase (decrease) from 2011: (53)
  - Increase (decrease) from 2010: 267 83
- **Consolidation & Adjustments**: 370
  - 2012: (40)
  - 2011: 333
  - 2010: 410
  - Increase (decrease) from 2011: N/M
  - Increase (decrease) from 2010: (373) N/M

**Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease) from 2011 in € m.</th>
<th>2011 increase (decrease) from 2010 in € m.</th>
<th>in %</th>
<th>in %</th>
</tr>
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<tbody>
<tr>
<td></td>
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<td>20,503</td>
<td>18,937</td>
<td>987</td>
<td>1,566</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

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 05 “Business Segments and Related Information”.
2. Includes the net interest spread on loans as well as the fair value changes of credit default swaps and loans designated at fair value through profit or loss.
3. Includes net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss of origination, advisory and other products.

**Corporate Banking & Securities (CB&S).** Combined revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss from Sales & Trading were up € 340 million, or 4 %, to € 10.0 billion in 2012 compared to € 9.6 billion in 2011. The increase in Sales & Trading (equity) in 2012 was primarily driven by Equity Derivatives revenues impacted by volatile market conditions. Another contributor to the increase in Sales & Trading (equity) was Equity Trading with higher net interest income due to market share gains resulting in higher volumes offsetting more difficult market conditions. In Sales & Trading (debt and other products) the main drivers for the increase of revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss were higher Flow Credit revenues reflecting improved credit market conditions and higher Rates revenues driven by strong client activity. This was partially offset by lower revenues in Money Markets due to lower volatility. The increase of net gains in the remaining products held at fair value in CB&S arose from refinements in methodology used to calculate Debt Valuation Adjustments (DVA) on derivative liabilities.

**Global Transaction Banking (GTB).** Combined revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 1.9 billion in 2012, an increase of € 27 million, or 1 %, compared to 2011. Net interest income increased compared to the prior year driven by strong performance across the GTB product spectrum and regions benefiting from strong volumes. The gain was offset by a decrease in the interest income of the commercial banking activities in the Netherlands, primarily due to the depressed interest rate environment.

**Asset & Wealth Management (AWM).** Combined revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 1.5 billion in 2012, an increase of € 460 million, or 46 %, compared to 2011. The revenue growth from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss was mainly attributable to a net gain in Abbey Life offset in noninterest expenses.

**Private & Business Clients (PBC).** Combined revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 6.2 billion in 2012, a decrease of € 403 million,
or 6%, compared to 2011. The combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss decreased primarily due to the aforementioned lower PPA effects as well as lower interest income at Postbank.

**Non-Core Operations Unit (NCOU).** Combined revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss were €277 million in 2012, a decrease of €311 million, or 53%, compared to 2011. The main driver for the decrease of net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss was the smaller asset base across all products in the NCOU as a result of de-risking activity and a reduction in fair value losses predominantly due to credit spread movements.

**Consolidation & Adjustments (C&A).** Combined revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss were €370 million in 2012, compared with a negative €40 million in 2011. The increase in net interest income and net gains (losses) on financial assets/liabilities at fair value through profit and loss was mainly a result of net trading revenues from U.S. dollar/euro basis swaps designated as net investment hedges for capital investments in US entities.

**Provision for Credit Losses**

Provision for credit losses recorded in 2012 decreased by €118 million to €1.7 billion. This decrease excludes the effect of Postbank releases related to loan loss allowances recorded prior to consolidation of €157 million and €402 million in 2012 and 2011, respectively. The impact of such releases is reported as interest income on group level. Adjusted for this accounting effect, our provision for credit losses would be €1.6 billion reflecting an increase of €126 million compared to the prior year.

**Remaining Noninterest Income**

<table>
<thead>
<tr>
<th>Remaining Noninterest Income</th>
<th>2012 increase (decrease)</th>
<th>2011 increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td></td>
<td>in € m.</td>
<td>in %</td>
</tr>
<tr>
<td>Commissions and fee income</td>
<td>11,510</td>
<td>11,544</td>
</tr>
<tr>
<td>Net gains (losses) on financial assets available for sale</td>
<td>301</td>
<td>123</td>
</tr>
<tr>
<td>Net income (loss) from equity method investments</td>
<td>159</td>
<td>(264)</td>
</tr>
<tr>
<td>Other income (loss)</td>
<td>281</td>
<td>1,322</td>
</tr>
<tr>
<td>Total remaining noninterest income</td>
<td>12,251</td>
<td>12,725</td>
</tr>
</tbody>
</table>

N/M – Not meaningful

1 includes:

<table>
<thead>
<tr>
<th>Commissions and fees from fiduciary activities:</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissions for administration</td>
<td>453</td>
<td>491</td>
<td>491</td>
</tr>
<tr>
<td>Commissions for assets under management</td>
<td>2,733</td>
<td>2,760</td>
<td>2,833</td>
</tr>
<tr>
<td>Commissions for other securities business</td>
<td>240</td>
<td>207</td>
<td>205</td>
</tr>
<tr>
<td>Total</td>
<td>3,425</td>
<td>3,458</td>
<td>3,529</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commissions, broker’s fees, mark-ups on securities underwriting and other securities activities:</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underwriting and advisory fees</td>
<td>1,893</td>
<td>1,783</td>
<td>2,148</td>
</tr>
<tr>
<td>Brokerage fees</td>
<td>1,526</td>
<td>1,882</td>
<td>1,725</td>
</tr>
<tr>
<td>Total</td>
<td>3,418</td>
<td>3,665</td>
<td>3,873</td>
</tr>
<tr>
<td>Fees for other customer services</td>
<td>4,667</td>
<td>4,421</td>
<td>3,267</td>
</tr>
<tr>
<td>Total commissions and fee income</td>
<td>11,510</td>
<td>11,544</td>
<td>10,669</td>
</tr>
</tbody>
</table>

2 The increase from 2010 to 2011 includes commissions related to nonbanking activities of Postbank.
Commissions and fee income. Total Commissions and fee income was € 11.5 billion in 2012, a slight decrease of € 34 million compared to 2011. Advisory fees increased driven by Global Finance as well as by AWM Alternatives, reflecting increased deal activity. Underwriting fees were in line with 2011 with an increase in Rates and Credit Trading, reflecting higher corporate debt issuance, offset by lower fees from Equity Trading. Other customer services fees slightly increased mainly due to Trade Finance & Cash Management Corporates in GTB as well as Rates and Credit Trading in CB&S. Both Underwriting and advisory fees as well as Other customer services fees, however were offset by lower Brokerage fees, especially in PBC Products, due to muted client investment activities, and in Global Equities.

Net gains (losses) on financial assets available for sale. Net gains on financial assets available for sale were € 301 million in 2012, versus € 123 million in 2011. The net gain in 2012 mainly included gains on the sale of EADS shares of € 152 million and on the sale of the Structured Credit portfolio in the NCOU. These gains were partially offset by specific impairments and realized losses on sale from de-risking activity in the NCOU. The net gain in 2011 mainly included disposal gains of approximately € 485 million and a one-time positive impact of € 263 million related to our stake in Hua Xia Bank, arising from the application of equity method accounting upon receiving all substantive regulatory approvals to increase our stake, partly offset by an impairment charge of € 527 million on Greek government bonds.

Net income (loss) from equity method investments. Net gains from equity method investments were € 159 million in 2012, versus a net loss of € 264 million in 2011. The net income in 2012 included a positive equity pick-up of € 311 million from our investment in Hua Xia Bank, partly offset by an impairment charge of € 257 million related to Actavis Group. The net loss in 2011 included a positive equity pick-up of € 154 million related to our stake in Hua Xia Bank and an impairment charge of € 457 million related to Actavis Group.

Other income (loss). Other income was a gain of € 281 million in 2012 versus € 1.3 billion in 2011. The lower other income in 2012 was largely due to significant losses from derivatives qualifying for hedge accounting offset by revenues related to The Cosmopolitan of Las Vegas and Maher Terminals as well as income from the settlement of credit protection received from the seller related to acquired commercial banking activities in the Netherlands. In 2011, other income mainly included significant gains from derivatives qualifying for hedge accounting and revenues related to The Cosmopolitan of Las Vegas.
Noninterest Expenses

<table>
<thead>
<tr>
<th></th>
<th>2012 increase (decrease) from 2011</th>
<th>2011 increase (decrease) from 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in € m.</td>
<td>in %</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>13,526</td>
<td>391</td>
</tr>
<tr>
<td>General and administrative expenses 1</td>
<td>15,016</td>
<td>464</td>
</tr>
<tr>
<td>Policyholder benefits and claims</td>
<td>414</td>
<td>207</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>1,886</td>
<td>-29</td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>394</td>
<td>-</td>
</tr>
<tr>
<td>Total noninterest expenses</td>
<td>31,236</td>
<td>5,237</td>
</tr>
</tbody>
</table>

N/M – Not meaningful

1 includes:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>in € m.</th>
<th>in %</th>
<th>in € m.</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT costs</td>
<td>2,547</td>
<td>2,194</td>
<td>2,274</td>
<td>353</td>
<td>16</td>
<td>(80)</td>
<td>(4)</td>
</tr>
<tr>
<td>Occupancy, furniture and equipment expenses</td>
<td>2,115</td>
<td>2,072</td>
<td>1,679</td>
<td>43</td>
<td>2</td>
<td>393</td>
<td>23</td>
</tr>
<tr>
<td>Professional service fees</td>
<td>1,870</td>
<td>1,632</td>
<td>1,616</td>
<td>238</td>
<td>15</td>
<td>16</td>
<td>1</td>
</tr>
<tr>
<td>Communication and data services</td>
<td>907</td>
<td>849</td>
<td>785</td>
<td>58</td>
<td>7</td>
<td>64</td>
<td>8</td>
</tr>
<tr>
<td>Travel and representation expenses</td>
<td>518</td>
<td>539</td>
<td>554</td>
<td>(21)</td>
<td>(4)</td>
<td>(15)</td>
<td>(3)</td>
</tr>
<tr>
<td>Payment, clearing and custodian services</td>
<td>609</td>
<td>504</td>
<td>418</td>
<td>105</td>
<td>21</td>
<td>86</td>
<td>21</td>
</tr>
<tr>
<td>Marketing expenses</td>
<td>376</td>
<td>410</td>
<td>335</td>
<td>(34)</td>
<td>(8)</td>
<td>75</td>
<td>22</td>
</tr>
<tr>
<td>Consolidated investments</td>
<td>760</td>
<td>652</td>
<td>390</td>
<td>108</td>
<td>17</td>
<td>262</td>
<td>67</td>
</tr>
<tr>
<td>Other expenses</td>
<td>5,514</td>
<td>3,805</td>
<td>2,082</td>
<td>1,509</td>
<td>39</td>
<td>1,723</td>
<td>83</td>
</tr>
<tr>
<td>Total general and administrative expenses</td>
<td>15,016</td>
<td>12,657</td>
<td>10,133</td>
<td>2,359</td>
<td>19</td>
<td>2,524</td>
<td>25</td>
</tr>
</tbody>
</table>

Compensation and benefits. In the full year 2012, compensation and benefits were up by € 391 million, or 3 %, compared to 2011. Half of the increase in 2012 was attributable to variable compensation mainly due to a decrease in the deferral rate from 61 % to 47 % which led to an increase of the cash bonus component. This was partly offset by retention related costs based on a reduced deferred compensation charge for employees eligible for career retirement. The other significant driver of the increase was the negative impact of FX translation.

General and administrative expenses. General and administration expenses increased by € 2.4 billion, or 19 %, from € 12.7 billion in 2011 to € 15.0 billion in 2012. The main driver for the increase were new litigation provisions as well as items related to the turnaround measures in the Bank’s commercial banking activities in the Netherlands; both shown in other expenses. Further increases resulted from higher IT costs, including the write-down of the technology platform NPP, higher depreciation on IT, and the new Magellan platform in PBC. Professional service fees increased due to higher legal costs relating to litigations and costs related to the strategic review in AWM. Higher costs in consolidated investments were driven by The Cosmopolitan of Las Vegas and Maher Terminals.

Policyholder benefits and claims. Policyholder benefits and claims in 2012 were € 414 million, an increase of € 207 million compared to the prior year. These are solely driven by insurance-related charges from the Abbey Life business. These costs are offset by net gains on financial assets/liabilities at fair value through profit or loss on policyholder benefits and claims.

Impairment of intangible assets. In 2012, impairment charges on goodwill and other intangible assets were € 1.9 billion. They included impairments of € 1.2 billion for CB&S prior to re-segmentation. Post segmentation reviews resulted in further € 421 million of goodwill impairments in the newly established NCOU. Impairments of other intangible assets included € 202 million in AWM and € 73 million in GTB relating to commercial banking activities in the Netherlands.
Restructuring. Restructuring activities were € 394 million in 2012. Restructuring activities in 2012 led to lower Salary and Benefit costs in the fourth quarter 2012.

Income Tax Expense
In 2012, the income tax expense was € 493 million, which led to an effective tax rate of 63 % compared to an income tax expense of € 1.1 billion and an effective tax rate of 20 % in 2011. The current year’s effective tax rate was mainly impacted by expenses that are not deductible for tax purposes which include impairments of goodwill. The prior year’s effective tax rate primarily benefited from changes in the recognition and measurement of deferred taxes, a favorable geographic mix of income and the partial tax exemption of net gains related to our stake in Hua Xia Bank.

Segment Results of Operations
The following is a discussion of the results of our business segments. See Note 05 “Business Segments and Related Information” to the consolidated financial statements for information regarding
— our organizational structure;
— effects of significant acquisitions and divestitures on segmental results;
— changes in the format of our segment disclosure;
— the framework of our management reporting systems;
— consolidating and other adjustments to the total results of operations of our business segments, and
— definitions of non-GAAP financial measures that are used with respect to each segment.

The criterion for segmentation into divisions is our organizational structure as it existed at December 31, 2012. Segment results were prepared in accordance with our management reporting systems.

<table>
<thead>
<tr>
<th>2012</th>
<th>Corporate Banking &amp; Securities</th>
<th>Global Transaction Banking</th>
<th>Asset &amp; Wealth Management</th>
<th>Private &amp; Business Clients</th>
<th>Non-Core Operations Unit</th>
<th>Total Management Reporting</th>
<th>Consolidation &amp; Adjustments</th>
<th>Total Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m. (unless stated otherwise)</td>
<td>Net revenues</td>
<td>15,648</td>
<td>4,006</td>
<td>4,466</td>
<td>9,541</td>
<td>1,058</td>
<td>34,719</td>
<td>(978)</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>121</td>
<td>168</td>
<td>18</td>
<td>781</td>
<td>634</td>
<td>1,721</td>
<td>0</td>
<td>1,721</td>
</tr>
<tr>
<td>Total noninterest expenses</td>
<td>12,637</td>
<td>3,169</td>
<td>4,288</td>
<td>7,221</td>
<td>3,305</td>
<td>30,619</td>
<td>617</td>
<td>31,236</td>
</tr>
<tr>
<td>therein:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policyholder benefits and claims</td>
<td>-</td>
<td>-</td>
<td>414</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>414</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>246</td>
<td>40</td>
<td>104</td>
<td>-</td>
<td>3</td>
<td>394</td>
<td>-</td>
<td>394</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>1,174</td>
<td>73</td>
<td>202</td>
<td>15</td>
<td>421</td>
<td>1,886</td>
<td>-</td>
<td>1,886</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>17</td>
<td>-</td>
<td>0</td>
<td>16</td>
<td>33</td>
<td>66</td>
<td>(66)</td>
<td>-</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>2,874</td>
<td>669</td>
<td>160</td>
<td>1,524</td>
<td>(2,914)</td>
<td>2,313</td>
<td>(1,529)</td>
<td>784</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>81 %</td>
<td>79 %</td>
<td>96 %</td>
<td>76 %</td>
<td>N/M</td>
<td>88 %</td>
<td>N/M</td>
<td>93 %</td>
</tr>
<tr>
<td>Assets¹</td>
<td>1,475,090</td>
<td>77,378</td>
<td>68,408</td>
<td>282,603</td>
<td>97,265</td>
<td>2,000,744</td>
<td>11,585</td>
<td>2,012,329</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>124,939</td>
<td>27,093</td>
<td>12,451</td>
<td>72,695</td>
<td>80,295</td>
<td>317,472</td>
<td>16,133</td>
<td>333,605</td>
</tr>
<tr>
<td>Average active equity</td>
<td>18,236</td>
<td>3,012</td>
<td>5,888</td>
<td>11,865</td>
<td>10,189</td>
<td>49,191</td>
<td>5,929</td>
<td>55,120</td>
</tr>
<tr>
<td>Pre-tax return on average active equity</td>
<td>16 %</td>
<td>22 %</td>
<td>3 %</td>
<td>13 %</td>
<td>(29) %</td>
<td>5 %</td>
<td>(26) %</td>
<td>1 %</td>
</tr>
</tbody>
</table>

¹ Includes revenues in Abbey Life related to Policyholder benefits and claims of € 420 million offset in expenses.
² Starting 2012, segment assets represent consolidated view, i.e. the amounts do not include intersegment balances. Prior periods were adjusted accordingly.
### Deutsche Bank Financial Report 2012
#### Operating and Financial Review

#### 2011

<table>
<thead>
<tr>
<th></th>
<th>Corporate</th>
<th>Global Transaction</th>
<th>Asset &amp; Wealth Management</th>
<th>Private &amp; Business Clients</th>
<th>Non-Core Operations</th>
<th>Total Management Reporting</th>
<th>Consolidation &amp; Adjustments</th>
<th>Total Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td>14,109</td>
<td>3,608</td>
<td>4,277</td>
<td>10,393</td>
<td>879</td>
<td>33,266</td>
<td>(38)</td>
<td>33,228</td>
</tr>
<tr>
<td><strong>Provision for credit losses</strong></td>
<td>90</td>
<td>158</td>
<td>22</td>
<td>1,185</td>
<td>385</td>
<td>1,840</td>
<td>(1)</td>
<td>1,839</td>
</tr>
<tr>
<td><strong>Total noninterest expenses</strong></td>
<td>10,341</td>
<td>2,411</td>
<td>3,313</td>
<td>7,128</td>
<td>2,554</td>
<td>25,746</td>
<td>253</td>
<td>25,999</td>
</tr>
<tr>
<td><strong>therein:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policyholder benefits and claims</td>
<td>–</td>
<td>–</td>
<td>207</td>
<td>–</td>
<td>–</td>
<td>207</td>
<td>–</td>
<td>207</td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>impairment of intangible assets</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Noncontrolling interests</strong></td>
<td>21</td>
<td>–</td>
<td>0</td>
<td>178</td>
<td>14</td>
<td>213</td>
<td>(213)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Income (loss) before income taxes</strong></td>
<td>3,657</td>
<td>1,039</td>
<td>942</td>
<td>1,902</td>
<td>(2,074)</td>
<td>5,466</td>
<td>(77)</td>
<td>5,390</td>
</tr>
<tr>
<td><strong>Cost/income ratio</strong></td>
<td>73 %</td>
<td>67 %</td>
<td>77 %</td>
<td>69 %</td>
<td>N/M</td>
<td>N/M</td>
<td>N/M</td>
<td>78 %</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>1,591,863</td>
<td>85,751</td>
<td>68,848</td>
<td>270,086</td>
<td>134,712</td>
<td>2,151,260</td>
<td>12,843</td>
<td>2,164,103</td>
</tr>
<tr>
<td><strong>Risk-weighted assets</strong></td>
<td>155,302</td>
<td>26,986</td>
<td>14,626</td>
<td>78,637</td>
<td>103,810</td>
<td>381,246</td>
<td>381,246</td>
<td></td>
</tr>
<tr>
<td><strong>Average active equity</strong></td>
<td>14,389</td>
<td>3,068</td>
<td>5,656</td>
<td>12,081</td>
<td>11,405</td>
<td>50,449</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pre-tax return on average active equity</strong></td>
<td>25 %</td>
<td>34 %</td>
<td>17 %</td>
<td>16 %</td>
<td>(18) %</td>
<td>12 %</td>
<td>(2) %</td>
<td>10 %</td>
</tr>
</tbody>
</table>

N/M – Not meaningful

1 Includes revenues in Abbey Life related to Policyholder benefits and claims of € 178 million offset in expenses.
2 Includes a net positive impact of € 236 million related to the stake in Hua Xia Bank (PBC).
3 Starting 2012, segment assets represent consolidated view, i.e. the amounts do not include intersegment balances. Prior periods were adjusted accordingly.

### 2010

<table>
<thead>
<tr>
<th></th>
<th>Corporate</th>
<th>Global Transaction</th>
<th>Asset &amp; Wealth Management</th>
<th>Private &amp; Business Clients</th>
<th>Non-Core Operations</th>
<th>Total Management Reporting</th>
<th>Consolidation &amp; Adjustments</th>
<th>Total Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td>16,282</td>
<td>3,379</td>
<td>4,520</td>
<td>6,048</td>
<td>(1,285)</td>
<td>28,944</td>
<td>(377)</td>
<td>28,567</td>
</tr>
<tr>
<td><strong>Provision for credit losses</strong></td>
<td>19</td>
<td>113</td>
<td>14</td>
<td>550</td>
<td>577</td>
<td>1,273</td>
<td>0</td>
<td>1,274</td>
</tr>
<tr>
<td><strong>Total noninterest expenses</strong></td>
<td>10,920</td>
<td>2,386</td>
<td>3,905</td>
<td>4,408</td>
<td>1,690</td>
<td>23,308</td>
<td>10</td>
<td>23,318</td>
</tr>
<tr>
<td><strong>therein:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policyholder benefits and claims</td>
<td>–</td>
<td>–</td>
<td>486</td>
<td>–</td>
<td>–</td>
<td>486</td>
<td>–</td>
<td>486</td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>impairment of intangible assets</td>
<td>–</td>
<td>29</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>29</td>
<td>–</td>
</tr>
<tr>
<td><strong>Noncontrolling interests</strong></td>
<td>21</td>
<td>–</td>
<td>(2)</td>
<td>8</td>
<td>(4)</td>
<td>24</td>
<td>(24)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Income (loss) before income taxes</strong></td>
<td>5,321</td>
<td>880</td>
<td>603</td>
<td>1,082</td>
<td>(3,548)</td>
<td>4,339</td>
<td>(363)</td>
<td>3,975</td>
</tr>
<tr>
<td><strong>Cost/income ratio</strong></td>
<td>67 %</td>
<td>71 %</td>
<td>86 %</td>
<td>73 %</td>
<td>N/M</td>
<td>N/M</td>
<td>N/M</td>
<td>82 %</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>1,314,556</td>
<td>67,621</td>
<td>66,334</td>
<td>276,878</td>
<td>168,397</td>
<td>1,893,755</td>
<td>11,844</td>
<td>1,905,630</td>
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<tr>
<td><strong>Risk-weighted assets</strong></td>
<td>139,216</td>
<td>26,996</td>
<td>15,051</td>
<td>87,031</td>
<td>75,228</td>
<td>343,522</td>
<td>2,683</td>
<td>346,204</td>
</tr>
<tr>
<td><strong>Average active equity</strong></td>
<td>13,320</td>
<td>2,416</td>
<td>5,277</td>
<td>3,174</td>
<td>9,318</td>
<td>33,505</td>
<td>7,848</td>
<td>41,353</td>
</tr>
<tr>
<td><strong>Pre-tax return on average active equity</strong></td>
<td>40 %</td>
<td>36 %</td>
<td>11 %</td>
<td>34 %</td>
<td>(38) %</td>
<td>13 %</td>
<td>(5) %</td>
<td>10 %</td>
</tr>
</tbody>
</table>

N/M – Not meaningful

1 Includes a gain from the recognition of negative goodwill related to the acquisition of parts of ABN AMRO’s commercial banking activities in the Netherlands of € 208 million as reported in the second quarter 2010.
2 Includes revenues in Abbey Life related to Policyholder benefits and claims of € 511 million offset in expenses.
3 Includes a charge related to the investment in Deutsche Postbank AG of € 2,338 million.
4 Starting 2012, segment assets represent consolidated view, i.e. the amounts do not include intersegment balances. Prior periods were adjusted accordingly.
Corporate Divisions

Corporate Banking & Securities Corporate Division

<table>
<thead>
<tr>
<th>in € m.</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease) from 2011 in € m.</th>
<th>2011 increase (decrease) from 2010 in € m.</th>
<th>2012 in % from 2011</th>
<th>2011 in % from 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales &amp; Trading (debt and other products)</td>
<td>9,181</td>
<td>8,520</td>
<td>9,844</td>
<td>661</td>
<td>(1,324)</td>
<td>8</td>
<td>(13)</td>
</tr>
<tr>
<td>Sales &amp; Trading (equity)</td>
<td>2,288</td>
<td>2,235</td>
<td>2,875</td>
<td>53</td>
<td>(640)</td>
<td>2</td>
<td>(22)</td>
</tr>
<tr>
<td>Origination (debt)</td>
<td>1,417</td>
<td>1,056</td>
<td>1,200</td>
<td>361</td>
<td>(144)</td>
<td>34</td>
<td>(12)</td>
</tr>
<tr>
<td>Origination (equity)</td>
<td>518</td>
<td>559</td>
<td>706</td>
<td>(41)</td>
<td>(147)</td>
<td>7</td>
<td>(21)</td>
</tr>
<tr>
<td>Advisory</td>
<td>590</td>
<td>621</td>
<td>573</td>
<td>(31)</td>
<td>48</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Loan products</td>
<td>1,107</td>
<td>1,158</td>
<td>1,146</td>
<td>(51)</td>
<td>12</td>
<td>4</td>
<td>1</td>
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<tr>
<td>Other products</td>
<td>547</td>
<td>(9)</td>
<td>62</td>
<td>586</td>
<td>23</td>
<td>N/M</td>
<td>(37)</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>15,648</td>
<td>14,109</td>
<td>16,282</td>
<td>1,539</td>
<td>(2,173)</td>
<td>11</td>
<td>(13)</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>121</td>
<td>90</td>
<td>19</td>
<td>31</td>
<td>71</td>
<td>N/M</td>
<td></td>
</tr>
<tr>
<td>Total noninterest expenses</td>
<td>12,637</td>
<td>10,341</td>
<td>10,920</td>
<td>2,296</td>
<td>22</td>
<td>(579)</td>
<td>5</td>
</tr>
<tr>
<td>therein:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>246</td>
<td>-</td>
<td>-</td>
<td>246</td>
<td>N/M</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>1,174</td>
<td>-</td>
<td>-</td>
<td>1,174</td>
<td>N/M</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>17</td>
<td>21</td>
<td>21</td>
<td>(4)</td>
<td>(19)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>2,874</td>
<td>3,657</td>
<td>5,321</td>
<td>(783)</td>
<td>(1,664)</td>
<td>21</td>
<td>(31)</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>81 %</td>
<td>73 %</td>
<td>67 %</td>
<td>-</td>
<td>8 ppt</td>
<td>6 ppt</td>
<td></td>
</tr>
<tr>
<td>Assets1</td>
<td>1,475,090</td>
<td>1,591,863</td>
<td>1,314,556</td>
<td>(116,773)</td>
<td>277,307</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>124,939</td>
<td>155,302</td>
<td>139,216</td>
<td>(30,363)</td>
<td>16,086</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Average active equity2</td>
<td>18,236</td>
<td>14,389</td>
<td>13,320</td>
<td>3,847</td>
<td>1,069</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Pre-tax return on average active equity</td>
<td>16 %</td>
<td>25 %</td>
<td>40 %</td>
<td>(9) ppt</td>
<td>(15) ppt</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

N/M = Not meaningful

1 Segment assets represent consolidated view, i.e. the amounts do not include intersegment balances.
2 See Note 05 "Business Segments and Related Information" to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

For the full year 2012, Sales & Trading (debt and other products) net revenues were € 9.2 billion, an increase of € 661 million, or 8 %, despite a negative impact of € 186 million relating to Credit Valuation Adjustments (CVAs) in the fourth quarter 2012 due to a refinement in the calculation methodology and RWA mitigation. Revenues in Rates and Credit Flow Trading were significantly higher than the prior year, driven by significantly higher Flow Credit revenues reflecting improved credit market conditions, and by higher Rates revenues reflecting strong client activity, particularly in Europe. Revenues in Structured Finance were higher than the prior year, reflecting a strong client demand, particularly for CMBS products. In contrast, despite increased volumes, Foreign Exchange revenues were lower than the prior year as a result of margin compression. Revenues in Money Markets were lower than the prior year due to lower volatility. In Commodities and RMBS, revenues were lower compared to 2011. Revenues in Emerging Markets were in line with the prior year.

Sales & Trading (equity) generated revenues of € 2.3 billion in 2012, a slight increase compared to the prior year. Equity Derivatives revenues were significantly higher than the prior year which was negatively impacted by volatile market conditions. Equity Trading revenues were in line with the prior year with market share gains offsetting more difficult market conditions. In Prime Finance, revenues were lower than the prior year driven by lower margins.

Origination and Advisory revenues increased to € 2.5 billion, up € 289 million compared to the full year 2011. Deutsche Bank was ranked number five globally, by share of Corporate Finance fees, and number one in Europe. In Advisory revenues were down in comparison to the prior year. Deutsche Bank was ranked number six globally and number two in Europe. Debt Origination revenues increased due to corporate debt issuance, while Equity Origination revenues decreased, reflecting an industry wide decline in IPO activity in the first half of 2012. Deutsche Bank was ranked number five globally for Equity Origination, and number two in Europe. (All ranks from Dealogic unless otherwise stated).

For the full year 2012, net revenues from Other products were € 547 million, compared to negative € 39 million in 2011. The increase was driven by € 516 million relating to the impact of a refinement in the calculation methodology of the Debt Valuation Adjustment (DVA) on certain derivative liabilities.
Noninterest expenses were €12.6 billion, a substantial increase of €2.3 billion compared to €10.3 billion for the full year 2011. Approximately half of the increase related to the impairment of intangible assets. The increase also included €315 million cost-to-achieve related to OpEx. Additionally, noninterest expenses were impacted by adverse foreign exchange rate movements and higher litigation related charges. These increases were partially offset by the absence of a specific charge of €310 million for a German VAT claim in the prior year, and lower non-performance related compensation costs reflecting the implementation of OpEx.

Global Transaction Banking Corporate Division

<table>
<thead>
<tr>
<th>in € m.</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease) from 2011</th>
<th>2011 increase (decrease) from 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues:</td>
<td></td>
<td></td>
<td></td>
<td>in € m.</td>
<td>in %</td>
</tr>
<tr>
<td>Transaction services</td>
<td>4,006</td>
<td>3,608</td>
<td>3,163</td>
<td>398</td>
<td>11</td>
</tr>
<tr>
<td>Other products</td>
<td>-</td>
<td>-</td>
<td>216</td>
<td>-</td>
<td>N/M</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>4,006</td>
<td>3,608</td>
<td>3,379</td>
<td>398</td>
<td>11</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>168</td>
<td>159</td>
<td>113</td>
<td>10</td>
<td>7</td>
</tr>
<tr>
<td>Total noninterest expenses</td>
<td>3,169</td>
<td>2,411</td>
<td>2,386</td>
<td>758</td>
<td>31</td>
</tr>
<tr>
<td>therein:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>40</td>
<td>N/M</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>73</td>
<td>-</td>
<td>29</td>
<td>73</td>
<td>N/M</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>N/M</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>669</td>
<td>1,039</td>
<td>880</td>
<td>(370)</td>
<td>(36)</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>79 %</td>
<td>67 %</td>
<td>71 %</td>
<td>-</td>
<td>12 ppt</td>
</tr>
<tr>
<td>Assets¹</td>
<td>77,378</td>
<td>85,751</td>
<td>67,621</td>
<td>(8,373)</td>
<td>(10)</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>27,093</td>
<td>26,986</td>
<td>26,996</td>
<td>107</td>
<td>0</td>
</tr>
<tr>
<td>Average active equity²</td>
<td>3,012</td>
<td>3,068</td>
<td>2,416</td>
<td>(56)</td>
<td>(2)</td>
</tr>
<tr>
<td>Pre-tax return on average active equity</td>
<td>22 %</td>
<td>34 %</td>
<td>36 %</td>
<td>-</td>
<td>(12) ppt</td>
</tr>
</tbody>
</table>

N/M – Not meaningful
¹ Segment assets represent consolidated view, i.e. the amounts do not include intersegment balances.
² See Note 05 “Business Segments and Related Information” to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

GTB’s results in 2012 included a net charge of €534 million in the fourth quarter 2012, which limits the comparability of the financial performance to prior periods. This net charge included a litigation-related charge and measures related to the turn-around of the acquired commercial banking activities in the Netherlands, which comprised the settlement of the credit protection received from the seller, an impairment of an intangible asset as well as restructuring charges.

Net revenues increased significantly by €398 million, or 11 %, compared to 2011. The reporting period included a settlement payment related to the aforementioned turn-around in the Netherlands. The increase in the underlying business was driven by a strong performance across products and regions benefiting from strong volumes while interest rate levels continued to be low. Trade Finance profited from high demand for international trade and financing products. Trust & Securities Services further grew on the back of higher fee income especially in the Corporate Trust business in the U.S.. Cash Management continued to benefit from a sustained “flight-to-quality” trend, resulting in strong transaction volumes and higher deposit balances, as well as from liquidity management.

Provision for credit losses increased by €10 million, or 7 %, versus 2011, which was driven by the commercial banking activities acquired in the Netherlands. This was partly offset by lower provisions in the Trade Finance business.

Noninterest expenses were up €758 million, or 31 %, compared to 2011, mainly driven by the aforementioned turn-around measures as well as the litigation-related charge. Excluding these charges, noninterest expenses were above the prior-year level reflecting higher expenses related to compensation and to higher business activity. This was partly offset by the non-recurrence of higher amortization of an upfront premium paid for credit protection received in the prior year.
Income before income taxes decreased by € 370 million, or 36 %, compared to 2011. The decrease resulted from the aforementioned turn-around measures as well as the litigation-related charge. Excluding this net charge, income before income taxes for the reporting period would have been well above the prior year.

### Asset & Wealth Management Corporate Division

<table>
<thead>
<tr>
<th></th>
<th>in € m. (unless stated otherwise)</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease) from 2011</th>
<th>2011 increase (decrease) from 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary portfolio/fund management</td>
<td>2,108</td>
<td>2,104</td>
<td>2,178</td>
<td></td>
<td>4</td>
<td>0 (74)</td>
</tr>
<tr>
<td>Advisory/brokerage</td>
<td>807</td>
<td>789</td>
<td>830</td>
<td></td>
<td>18</td>
<td>2 (41)</td>
</tr>
<tr>
<td>Credit products</td>
<td>411</td>
<td>393</td>
<td>378</td>
<td></td>
<td>18</td>
<td>5 (41)</td>
</tr>
<tr>
<td>Deposits and payment services</td>
<td>236</td>
<td>158</td>
<td>142</td>
<td></td>
<td>78</td>
<td>49 (16)</td>
</tr>
<tr>
<td>Other products</td>
<td>904</td>
<td>833</td>
<td>993</td>
<td></td>
<td>71</td>
<td>9 (160)</td>
</tr>
<tr>
<td><strong>Total net revenues</strong></td>
<td>4,466</td>
<td>4,277</td>
<td>4,520</td>
<td></td>
<td>189</td>
<td>4 (243)</td>
</tr>
<tr>
<td><strong>Provision for credit losses</strong></td>
<td>18</td>
<td>22</td>
<td>14</td>
<td></td>
<td>(4)</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Total noninterest expenses</strong></td>
<td>4,288</td>
<td>3,313</td>
<td>3,905</td>
<td>975</td>
<td>29</td>
<td>(592)</td>
</tr>
<tr>
<td>therein:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Policyholder benefits and claims</td>
<td>414</td>
<td>207</td>
<td>486</td>
<td></td>
<td>207</td>
<td>100 (279)</td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>104</td>
<td></td>
<td></td>
<td></td>
<td>104</td>
<td>N/M</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>202</td>
<td></td>
<td></td>
<td></td>
<td>202</td>
<td>N/M</td>
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<tr>
<td><strong>Noncontrolling interests</strong></td>
<td>0</td>
<td>0</td>
<td>(2)</td>
<td></td>
<td>N/M</td>
<td>2 (N/M)</td>
</tr>
<tr>
<td><strong>Income (loss) before income taxes</strong></td>
<td>160</td>
<td>942</td>
<td>602</td>
<td>(782)</td>
<td>(83)</td>
<td>339 (56)</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>96 %</td>
<td>77 %</td>
<td>86 %</td>
<td></td>
<td>19 ppt</td>
<td>(9) ppt</td>
</tr>
<tr>
<td>Assets¹</td>
<td>68,408</td>
<td>68,848</td>
<td>66,334</td>
<td>(440)</td>
<td>(1)</td>
<td>2,514</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>12,451</td>
<td>14,626</td>
<td>15,051</td>
<td>(2,175)</td>
<td>(15)</td>
<td>(425) (3)</td>
</tr>
<tr>
<td>Average active equity²</td>
<td>5,888</td>
<td>5,656</td>
<td>5,277</td>
<td>232</td>
<td>4</td>
<td>379</td>
</tr>
<tr>
<td>Pre-tax return on average active equity</td>
<td>3 %</td>
<td>17 %</td>
<td>11 %</td>
<td></td>
<td>(14) ppt</td>
<td>5 ppt</td>
</tr>
<tr>
<td>Invested assets (in € bn.)³</td>
<td>944</td>
<td>912</td>
<td>936</td>
<td>32</td>
<td>3 (24)</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>Net new money (in € bn.)</strong></td>
<td>(22)</td>
<td>(7)</td>
<td>(2)</td>
<td>(15)</td>
<td>N/M</td>
<td>(5) N/M</td>
</tr>
</tbody>
</table>

N/M – Not meaningful

¹ Segment assets represent consolidated view, i.e. the amounts do not include intersegment balances.

² See Note 05 “Business Segments and Related Information” to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

³ We define invested assets as (a) assets we hold on behalf of customers for investment purposes and/or (b) client assets that are managed by us. We manage invested assets on a discretionary or advisory basis, or these assets are deposited with us.

Net revenues increased slightly by € 189 million, or 4 %, compared to € 4.3 billion in 2011, reflecting a € 207 million increase in revenues from Other products from mark-to-market movements on investments held to back insurance policyholder claims in Abbey Life, offset in noninterest expenses. This effect was partly offset by € 46 million in RREEF driven by gains on sales in 2011, € 51 million due to reduced demand for hedge fund products and € 37 million due to lower management fees. Revenues from deposits and payment services increased substantially, reflecting various product initiatives targeting stable funding. Advisory/brokerage revenues and revenues from credit products both improved in the Wealth Management businesses due to continued business growth and increased assets under management.

Noninterest expenses were up € 975 million, or 29 %, compared to 2011 mainly due to the aforementioned effect related to Abbey Life, € 202 million of impairments related to Scudder, € 90 million of IT-related impairments, € 104 million in costs-to-achieve related to OpEx, costs incurred from the strategic review and litigation-related charges.

Invested assets in AWM were € 944 billion as of December 31, 2012, an increase of €32 billion versus December 31, 2011, mainly driven by market appreciation of € 55 billion and transfers of € 7 billion from Postbank, partly offset by outflows of € 22 billion and foreign currency movements of € 7 billion. The private bank attracted inflows of € 15 billion for the year offset by outflows in asset management, particularly from the institutional business which was impacted by the strategic review.
Private & Business Clients Corporate Division

<table>
<thead>
<tr>
<th>(unless stated otherwise)</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease)</th>
<th>2011 increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary portfolio/fund management</td>
<td>213</td>
<td>251</td>
<td>313</td>
<td>(38) (15)</td>
<td>(62) (20)</td>
</tr>
<tr>
<td>Advisory/brokerage</td>
<td>860</td>
<td>914</td>
<td>887</td>
<td>(54) (6)</td>
<td>27 3</td>
</tr>
<tr>
<td>Credit products</td>
<td>2,149</td>
<td>2,099</td>
<td>2,117</td>
<td>50 2</td>
<td>(18) (1)</td>
</tr>
<tr>
<td>Deposits and payment services</td>
<td>2,064</td>
<td>2,085</td>
<td>1,962</td>
<td>(21) (1)</td>
<td>123 6</td>
</tr>
<tr>
<td>Other products</td>
<td>4,255</td>
<td>5,044</td>
<td>769</td>
<td>(789) (16)</td>
<td>4,275 N/M</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>9,541</td>
<td>10,393</td>
<td>6,048</td>
<td>(852) (8)</td>
<td>4,345 72</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>781</td>
<td>1,185</td>
<td>550</td>
<td>(404) (34)</td>
<td>635 115</td>
</tr>
<tr>
<td>Total noninterest expenses</td>
<td>7,221</td>
<td>7,128</td>
<td>4,048</td>
<td>93 1</td>
<td>2,720 62</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>15</td>
<td>–</td>
<td>–</td>
<td>15 N/M</td>
<td>– N/M</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>16</td>
<td>178</td>
<td>8</td>
<td>(162) (91)</td>
<td>170 N/M</td>
</tr>
<tr>
<td>Income (loss) before income taxes</td>
<td>1,524</td>
<td>1,902</td>
<td>1,082</td>
<td>(378) (20)</td>
<td>820 76</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>76%</td>
<td>69%</td>
<td>73%</td>
<td>– 7 ppt</td>
<td>– (4) ppt</td>
</tr>
<tr>
<td>Assets1</td>
<td>282,603</td>
<td>270,086</td>
<td>276,878</td>
<td>12,517 5</td>
<td>(6,792) (2)</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>72,695</td>
<td>78,637</td>
<td>87,031</td>
<td>(5,942) (8)</td>
<td>(5,394) (10)</td>
</tr>
<tr>
<td>Average active equity²</td>
<td>11,865</td>
<td>12,081</td>
<td>3,174</td>
<td>(216) (2)</td>
<td>8,907 N/M</td>
</tr>
<tr>
<td>Pre-tax return on average active equity</td>
<td>13%</td>
<td>16%</td>
<td>34%</td>
<td>– (3) ppt</td>
<td>– (18) ppt</td>
</tr>
<tr>
<td>Invested assets (in € bn.)²</td>
<td>293</td>
<td>296</td>
<td>297</td>
<td>(3) (1)</td>
<td>(1) (0)</td>
</tr>
<tr>
<td>Net new money (in € bn.)</td>
<td>(10)</td>
<td>8</td>
<td>2</td>
<td>(18) N/M</td>
<td>6 N/M</td>
</tr>
</tbody>
</table>

Breakdown of PBC by business

Advisory Banking Germany:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease)</th>
<th>2011 increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>3,847</td>
<td>3,873</td>
<td>4,062</td>
<td>(26) (1)</td>
<td>(189) (5)</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>173</td>
<td>268</td>
<td>357</td>
<td>(95) (36)</td>
<td>(89) (25)</td>
</tr>
<tr>
<td>Noninterest expenses</td>
<td>3,204</td>
<td>3,031</td>
<td>3,038</td>
<td>173 6</td>
<td>(7) (0)</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>470</td>
<td>574</td>
<td>666</td>
<td>(104) (18)</td>
<td>(92) (14)</td>
</tr>
</tbody>
</table>

Advisory Banking International:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease)</th>
<th>2011 increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>1,971</td>
<td>1,996</td>
<td>1,526</td>
<td>(25) (1)</td>
<td>470 31</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>211</td>
<td>176</td>
<td>177</td>
<td>35 20</td>
<td>(1) (1)</td>
</tr>
<tr>
<td>Noninterest expenses</td>
<td>1,217</td>
<td>1,195</td>
<td>1,104</td>
<td>22 2</td>
<td>91 8</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>543</td>
<td>626</td>
<td>245</td>
<td>(83) (13)</td>
<td>381 156</td>
</tr>
</tbody>
</table>

Consumer Banking Germany:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease)</th>
<th>2011 increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>3,723</td>
<td>4,523</td>
<td>460</td>
<td>(800) (18)</td>
<td>4,063 N/M</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>397</td>
<td>742</td>
<td>16</td>
<td>(345) (47)</td>
<td>726 N/M</td>
</tr>
<tr>
<td>Noninterest expenses</td>
<td>2,800</td>
<td>2,902</td>
<td>266</td>
<td>(102) (4)</td>
<td>2,636 N/M</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>15</td>
<td>178</td>
<td>7</td>
<td>(163) (91)</td>
<td>171 N/M</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>511</td>
<td>702</td>
<td>171</td>
<td>(191) (27)</td>
<td>531 N/M</td>
</tr>
</tbody>
</table>

N/M – Not meaningful
1 Segment assets represent consolidated view, i.e. the amounts do not include intersegment balances.
2 See Note 05 “Business Segments and Related Information” to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

We define invested assets as (a) assets we hold on behalf of customers for investment purposes and/or (b) client assets that are managed by us. We manage invested assets on a discretionary or advisory basis, or these assets are deposited with us.

Net revenues decreased by € 852 million, or 8 %, versus 2011, mainly driven by the non-recurrence of a positive one-time effect of € 263 million related to our stake in Hua Xia Bank in 2011 and negative impact from purchase price allocation on Postbank in Consumer Banking Germany. The remaining revenue decrease in other products was related to a low interest rate environment and lower revenues from investment securities due to a targeted accelerated reduction of risk positions. Advisory/brokerage revenues decreased by € 54 million, or 6 %, and revenues from discretionary portfolio management/fund management decreased by € 38 million, or 15 %, mainly in Advisory Banking Germany, driven by muted client investment activity. Revenues from deposits and payment services decreased slightly by € 21 million, or 1 %, driven by lower margins. Credit products increased by € 50 million, or 2 %, mainly in Advisory Banking International, driven by both higher margins and volumes.
Provision for credit losses was € 781 million, down from € 1,185 million for 2011, mainly driven by Consumer Banking Germany. This excludes releases from Postbank-related loan loss allowances recorded prior to consolidation. The impact of such releases is reported as interest income. Excluding Consumer Banking Germany, provision for credit losses further decreased, primarily attributable to lower provisions in Advisory Banking Germany reflecting an improved portfolio quality.

Noninterest expenses increased by € 93 million, or 1 %, compared to 2011 driven by higher costs-to-achieve of € 133 million, related to Postbank integration and to OpEx.

Invested assets were down mainly driven by € 10 billion net outflows, mostly in deposits, partly offset by € 7 billion market appreciation.

### Non-Core Operations Unit Corporate Division

<table>
<thead>
<tr>
<th>in € m.</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2012 increase (decrease) from 2011</th>
<th>2011 increase (decrease) from 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>1,058</td>
<td>879</td>
<td>(1,285)</td>
<td>179</td>
<td>20</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>634</td>
<td>385</td>
<td>577</td>
<td>249</td>
<td>65</td>
</tr>
<tr>
<td>Total noninterest expenses</td>
<td>3,305</td>
<td>2,554</td>
<td>1,690</td>
<td>751</td>
<td>29</td>
</tr>
<tr>
<td>therein</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring activities</td>
<td>3</td>
<td>–</td>
<td>–</td>
<td>3</td>
<td>N/M</td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>421</td>
<td>–</td>
<td>–</td>
<td>421</td>
<td>N/M</td>
</tr>
<tr>
<td>Net income (loss) before income taxes</td>
<td>(2,914)</td>
<td>(2,074)</td>
<td>(3,548)</td>
<td>(840)</td>
<td>40</td>
</tr>
<tr>
<td>Assets1</td>
<td>97,265</td>
<td>134,712</td>
<td>168,397</td>
<td>(37,437)</td>
<td>(28)</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>80,296</td>
<td>103,810</td>
<td>75,228</td>
<td>(23,515)</td>
<td>(23)</td>
</tr>
<tr>
<td>Average active equity2</td>
<td>10,189</td>
<td>11,405</td>
<td>9,318</td>
<td>(1,216)</td>
<td>(11)</td>
</tr>
</tbody>
</table>

N/M – Not meaningful

1 Segment assets represent consolidated view, i.e. the amounts do not include intersegment balances.

2 See Note 05 "Business Segments and Related Information" to the consolidated financial statements for a description of how average active equity is allocated to the divisions.

Net revenues increased by € 179 million, or 20 %, compared to 2011. Net revenues in the NCOU are driven by the timing and nature of specific items. In 2012 such specific items included negative effects related to refinements of the CVA methodology of € 203 million, mortgage repurchase costs of € 233 million, losses from sales of capital intensive securitization positions and various impairments. Revenues in 2011 were impacted by impairment charges of € 457 million related to Actavis Group as well as impairments on Greek Government bonds.

Provision for credit losses increased by € 249 million, or 65 %, in comparison to 2011 mainly due to higher provisions in relation to IAS 39 reclassified assets.

Noninterest expenses increased by € 751 million, or 29 %, compared to 2011. The increase was mainly driven by specific items such as litigation charges, settlement costs and impairments. While 2012 included € 421 million impairment of intangible assets, 2011 was impacted by a € 135 million property related impairment charge, € 97 million related to BHF-BANK and additional settlement costs.

**Consolidation & Adjustments**

For a discussion of C&A to our business segment results see Note 05 “Business Segments and Related Information” to the consolidated financial statements.
Operating Results (2011 vs. 2010)

Net Interest Income
Net interest income in 2011 was € 17.4 billion, an increase of € 1.9 billion, or 12 %, versus 2010. The improvement was primarily driven by the consolidation of Postbank. This also led to an increase in average interest-earning assets and average interest-bearing liabilities. Excluding Postbank, increased cost of funding due to higher spreads and lower net interest income on trading positions in CB&S would have led to lower net interest income, resulting in lower net interest margin.

Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss
The decrease of net gain on financial assets/liabilities at fair value through profit or loss of € 296 million was mainly in Sales & Trading (debt and other products). This decrease was mainly driven by significantly lower revenues in Flow Credit, reflecting weakened credit markets and lower client volumes across the industry. The reduced losses in the NCOU were due to reduced losses from trading revenues. The decrease of net gains on financial assets/liabilities at fair value through profit or loss in Other product categories was mainly driven by absence of mark-to-market losses on new loans and loan commitments held at fair value from Loan products, which were recorded in 2010, and higher losses in Abbey Life in AWM 2011.

Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss
Corporate Banking & Securities (CB&S). Combined revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss from Sales & Trading were € 9.6 billion in 2011, compared to € 11.3 billion in 2010. In Sales & Trading (debt and other products) the main drivers for the decrease were significantly lower revenues in Flow Credit, reflecting weakened credit markets and lower client volumes across the industry. In Sales & Trading (equity) revenues were lower than 2010, mainly in Cash Trading, which was negatively impacted by the deterioration in equity markets during 2011, and in Equity Derivatives, due to a more challenging environment and lower client activity. The increase of € 182 million in remaining products was driven by several items, including positive effects from derivatives not qualifying for hedge accounting.

Global Transaction Banking (GTB). Combined revenues from net interest income and from net gains (losses) on financial assets/liabilities at fair value through profit or loss increased by € 391 million, compared to 2010. The increase was attributable mainly to Transaction services and included effects from the acquisition of commercial banking activities from ABN AMRO in the Netherlands.

Asset & Wealth Management (AWM). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 1.0 billion in 2011, a decrease of € 188 million, or 16 %, compared to 2010. The decrease was fully attributable to the Exchange Traded Funds (ETF) business, reallocated from CB&S to AWM in 2012, and the reassignment of the Sal. Oppenheim workout credit portfolio to NCOU.

Private & Business Clients (PBC). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 6.6 billion in 2011, an increase of € 2.7 billion, or 71 %, compared to 2010. The increase was mainly driven by the first-time consolidation of Postbank. In addition, the increase included higher net interest income from Deposits and Payment services, resulting from increased deposit volumes, partly offset by decreases in net interest income from Credit Products. The reassignment of the Postbank structured credit portfolio and of assets and liabilities in run-off to NCOU led to an overall lower increase.
Non-Core Operations Unit (NCOU). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were € 588 million in 2011, an increase of € 267 million compared to € 321 million in 2010. The main driver for the increase was the transfer of the exposure in Actavis Group from CB&S to the former CI at the beginning of 2011.

Consolidation & Adjustments (C&A). Combined net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss were negative € 40 million in 2011, compared to € 333 million in 2010. The decrease mainly resulted from positions which were measured at fair value for management reporting purposes and measured at amortized cost under IFRS. Partly offsetting was higher net interest income on non-divisionalized assets and liabilities, including taxes.

Provision for Credit Losses
Provision for credit losses was € 1.8 billion for the full year 2011 versus € 1.3 billion in 2010. The increase was mainly attributable to Postbank, which contributed € 761 million for the year. This number excludes releases from Postbank related loan loss allowances recorded prior to consolidation of € 402 million. The impact of such releases is reported as net interest income on the group level. Excluding Postbank, provisions were down € 139 million primarily reflecting improved performance in the PBC Clients Advisory Banking Germany and Advisory Banking International.

Remaining Noninterest Income
Commissions and fee income. Total commissions and fee income was € 11.5 billion in 2011, an increase of € 875 million, or 8 %, compared to 2010. This development was primarily driven by the consolidation of Postbank, which mainly impacted fees for other customer services (up by € 1.2 billion, or 35 %) and brokerage fees (up by € 157 million, or 9 %). Underwriting and advisory fees decreased by € 365 million, or 17 %, mainly in CB&S, related to a reduced number of deals resulting from the challenging market conditions.

Net gains (losses) on financial assets available for sale. The net gains were € 123 million in 2011, versus € 201 million in 2010. The net gains in 2011 mainly included disposal gains of approximately € 485 million and a one-time positive impact of € 263 million related to our stake in Hua Xia Bank, driven by the application of equity method accounting upon receiving all substantive regulatory approvals to increase our stake, partly offset by impairments of € 527 million on Greek government bonds.

Net income (loss) from equity method investments. Net loss from equity method investments was € 264 million in 2011 versus a net loss of € 2.0 billion in 2010. The net loss in 2011 included an impairment charge of € 457 million related to Actavis Group, partly offset by a positive equity pick-up related to our stake in Hua Xia Bank.

Other income (loss). Total Other income (loss) was a gain of € 1.3 billion in 2011 versus a gain of € 764 million in 2010. Other income in 2011 included significant results from derivatives qualifying for hedge accounting, increased revenues related to The Cosmopolitan of Las Vegas (which commenced its activities in December 2010) and was influenced by the consolidation of Postbank. In 2010, other income included a gain representing negative goodwill related to the commercial banking activities acquired from ABN AMRO in the Netherlands as well as an impairment charge on The Cosmopolitan of Las Vegas.

Noninterest Expenses
Compensation and benefits. In the full year 2011, compensation and benefits were up by € 464 million, or 4 %, compared to 2010. The increase included € 1.4 billion related to our acquisitions, partly offset by significantly lower performance related compensation and lower severance payments.
General and administrative expenses. General and administrative expenses increased by € 2.5 billion versus 2010, reflecting € 1.4 billion from our acquisitions. Also contributing to the increase were specific charges in CB&S (€ 655 million litigation-related expenses and a specific charge of € 310 million relating to the impairment of a German VAT claim). In addition, general and administrative expenses increased due to higher costs related to our consolidated investments, mainly The Cosmopolitan of Las Vegas (including an impairment charge on the property of € 135 million), and the first time consideration of € 247 million for bank levies, predominantly in Germany and the UK. These increases were partly offset by savings resulting from the complexity reduction program and from the further integration of Corporate & Investment Banking (CIB), including lower IT costs in comparison to 2010.

Policyholder benefits and claims. Policyholder benefits and claims in 2011 were € 207 million, a decrease of € 278 million compared to the prior year, resulting primarily from our Abbey Life business. These insurance-related charges are offsetting related net gains on financial assets/liabilities at fair value through profit or loss.

Impairment of intangible assets. There was no charge for impairment of intangible assets in 2011.

Income Tax Expense
In 2011, the income tax expense was € 1.1 billion, which led to an effective tax rate of 20 % compared to an income tax expense of € 1.6 billion and an effective tax rate of 41 % in 2010. This development was due to changes in the recognition and measurement of deferred taxes, a favorable geographic mix of income and the partial tax exemption of net gains related to our stake in Hua Xia Bank.

Results of Operations by Segment (2011 vs. 2010)

Corporate Banking & Securities Corporate Division
Sales & Trading (debt and other products) net revenues decreased due to significantly lower revenues in Rates and Credit Flow Trading, predominantly in Flow Credit, reflecting weakened credit markets, lower client volumes across the industry, and reduced liquidity especially in the latter half of 2011. The aforementioned revenue decrease in Rates was due to lower flow client volumes as a result of market uncertainty. Structured Finance revenues were solid and in line with prior year, reflecting demand for restructuring capabilities. Emerging Markets revenues were lower than 2010 primarily due to lower flow client volumes as a result of market uncertainty. RMBS revenues were significantly higher than the prior year as a result of successful business realignment. Money Markets revenues increased, driven by strong client activity and volatile markets. Foreign Exchange revenues were very strong, with record annual client volumes offsetting lower margins. Commodities delivered record annual revenues despite a challenging environment, reflecting successful strategic investment.

Sales & Trading (equity) revenues decreased due to a more difficult market environment, with higher volatility and declining markets impacting client sentiment and activity, especially in Europe, which accounts for a high proportion of our business. Cash Trading revenues were lower due to the impact of the deterioration in equity markets during 2011 and lower client activity in Europe. Equity Derivatives revenues were lower as a result of a more challenging environment and lower client activity, although record revenues were achieved in the U.S. Prime Finance revenues were slightly lower reflecting reduced levels of client leverage, partially offset by our strong market position.

Noninterest expenses decreased, primarily driven by lower compensation expenses and efficiency savings partly offset by higher litigation related expenses, and a specific charge of € 310 million relating to the impairment of a German VAT claim.

Income before income taxes decreased driven by the aforementioned revenue effects and partly offset by lower noninterest expenses.
Global Transaction Banking Corporate Division

Net revenues increased driven by a performance on record levels across all businesses with growth in fee and interest income. 2010 included € 216 million related to negative goodwill from the acquisition of commercial banking activities in the Netherlands. Trust & Securities Services profited from improved market conditions in the custody and depositary receipt business. Trade Finance further capitalized on high demand for international trade products and financing. In Cash Management, revenues increased on the basis of higher fees from strong payment volumes as well as higher net interest income mainly driven by slightly improved interest rate levels in Asia and the Euro area compared to the prior year period.

Provision for credit losses increased mainly due to the commercial banking activities acquired in the Netherlands.

Noninterest expenses increased slightly mainly driven by the aforementioned acquisition in the second quarter 2010, including higher expenses related to the amortization of an upfront premium paid for credit protection received and higher insurance-related expenses, partially offset by the non-recurrence of significant severance charges which related to specific measures associated with the realignment of infrastructure areas and sales units and the impact of an impairment of intangible assets in 2010.

Asset & Wealth Management Corporate Division

Net revenues decreased due to € 279 million effects from mark-to-market movements on investments held to back insurance policyholder claims in Abbey Life, which are offset in noninterest expenses. Revenues from other products overall decreased, including the aforementioned effect which was partly compensated by € 72 million in alternative assets and € 46 million in Sal. Oppenheim. Revenues from discretionary portfolio management/fund management decreased reflecting the reduced asset base and performance fees resulting from negative market conditions especially in the second half of 2011. Revenues from advisory/brokerage decreased driven by negative market conditions. In contrast, revenues from deposits and payment services increased. Reflecting higher deposit volumes resulting from dedicated product initiatives. Furthermore, revenues from credit products improved across all Wealth Management units partly offset by Sal. Oppenheim.

Noninterest expenses decreased, mainly influenced from the above mentioned effects related to Abbey Life, € 144 million from Sal. Oppenheim, reflecting the successful integration into Deutsche Bank, and lower expenses in Active mostly facilitated by measures to improve platform efficiency.

Invested assets declined due to an impact of € 26 billion from market depreciation and € 7 billion net outflows, partly offset by € 9 billion due to foreign currency movements.

Private & Business Clients Corporate Division

The increase in net revenues is mainly attributable to the consolidation of Postbank, which began on December 3, 2010, and contributed revenues of € 4.5 billion in 2011, compared to € 460 million in 2010. In 2011 revenues from other products also included € 62 million impairments on Greek government bonds in Advisory Banking Germany as well as a one-time positive impact of € 263 million related to our stake in Hua Xia Bank, driven by the application of equity method accounting upon receiving all substantive regulatory approvals to increase our stake. Revenues from deposits and payment services increased, largely driven by higher volumes in Advisory Banking Germany. Advisory/brokerage revenues increased while revenues from discretionary portfolio management/fund management revenues decreased mainly in Advisory Banking Germany due to the challenging environment. Credit products revenues were down with negative effects from lower margins over-compensating revenue increases due to higher volumes in both Advisory Banking Germany and Advisory Banking International.
Provision for credit losses was € 1.2 billion, of which € 742 million related to Postbank. This number excludes releases from Postbank-related loan loss allowance recorded prior to consolidation of € 402 million. The impact of such releases is reported as net interest income. Excluding Postbank, provisions for credit losses were € 444 million, down € 91 million compared to 2010. The decrease was driven by Advisory Banking Germany.

The increase in noninterest expenses is predominantly driven by Consumer Banking Germany reflecting the consolidation of Postbank. Excluding the Consumer Banking Germany related increase, noninterest expenses were up by € 84 million, mainly resulting from higher costs-to-achieve related to Postbank integration.

Income before income taxes improved due to Consumer Banking Germany and Advisory Banking International.

Invested assets were € 296 billion, down € 1 billion compared to 2010. This was mainly driven by € 9 billion due to market depreciation, partly offset by € 8 billion net inflows, mainly in deposits.

Non-Core Operations Unit Corporate Division
Net revenues increased compared to 2010, including revenues from our exposure to Actavis Group as well as investments in BHF-BANK, Maher Terminals and The Cosmopolitan of Las Vegas which were partly reduced by impairment charges of € 457 million related to Actavis Group as well as impairments on Greek Government bonds. Net revenues in 2010 were mainly impacted by a charge of € 2.3 billion from our investment in Postbank.

Provision for credit losses decreased due to an improvement in Consumer Finance Business portfolio and lower provisions required in relation to IAS 39 reclassified assets.

The increase in noninterest expenses is mainly caused by the start of operations at The Cosmopolitan of Las Vegas at the end of 2010 and non-core business of Postbank, which was consolidated in December 2010, as well as a specific impairment charge on The Cosmopolitan of Las Vegas property and ongoing litigation and settlement costs.

Loss before income taxes decreased mainly due to revenues impacted by the aforementioned Postbank investment.

Consolidation & Adjustments
For a discussion of C&A to our business segment results see Note 05 “Business Segments and Related Information” to the consolidated financial statements.
Financial Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
<th>2012 increase (decrease) from 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and due from banks</td>
<td>27,885</td>
<td>15,928</td>
<td>11,957 (75)</td>
</tr>
<tr>
<td>Interest-earning deposits with banks</td>
<td>119,548</td>
<td>162,000</td>
<td>(42,452) (26)</td>
</tr>
<tr>
<td>Central bank funds sold, securities purchased under resale agreements and securities borrowed</td>
<td>60,517</td>
<td>57,110</td>
<td>3,407 (6)</td>
</tr>
<tr>
<td>Trading assets</td>
<td>245,538</td>
<td>240,924</td>
<td>4,614 (2)</td>
</tr>
<tr>
<td>Positive market values from derivative financial instruments</td>
<td>768,316</td>
<td>859,582</td>
<td>(91,266) (11)</td>
</tr>
<tr>
<td>Financial assets designated at fair value through profit or loss</td>
<td>187,027</td>
<td>180,293</td>
<td>6,734 (4)</td>
</tr>
<tr>
<td>thereof: Securities purchased under resale agreements</td>
<td>124,987</td>
<td>117,284</td>
<td>7,703 (7)</td>
</tr>
<tr>
<td>thereof: Securities borrowed</td>
<td>26,304</td>
<td>27,261</td>
<td>1,043 (4)</td>
</tr>
<tr>
<td>Loans</td>
<td>397,279</td>
<td>412,514</td>
<td>(15,235) (4)</td>
</tr>
<tr>
<td>Brokerage and securities related receivables</td>
<td>97,295</td>
<td>122,810</td>
<td>(25,515) (21)</td>
</tr>
<tr>
<td>Remaining assets</td>
<td>106,924</td>
<td>112,942</td>
<td>(4,018) (4)</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,012,329</td>
<td>2,164,103</td>
<td>(151,774) (7)</td>
</tr>
<tr>
<td>Deposits</td>
<td>577,202</td>
<td>601,730</td>
<td>(24,528) (4)</td>
</tr>
<tr>
<td>Central bank funds purchased, securities sold under repurchase agreements and securities loaned</td>
<td>39,253</td>
<td>43,400</td>
<td>(4,147) (10)</td>
</tr>
<tr>
<td>Trading liabilities</td>
<td>54,914</td>
<td>63,886</td>
<td>(8,972) (14)</td>
</tr>
<tr>
<td>Negative market values from derivative financial instruments</td>
<td>752,706</td>
<td>838,817</td>
<td>(86,111) (10)</td>
</tr>
<tr>
<td>Financial liabilities designated at fair value through profit or loss</td>
<td>109,166</td>
<td>118,318</td>
<td>(9,152) (8)</td>
</tr>
<tr>
<td>thereof: Securities sold under repurchase agreements</td>
<td>82,267</td>
<td>93,606</td>
<td>(11,339) (12)</td>
</tr>
<tr>
<td>thereof: Securities loaned</td>
<td>8,443</td>
<td>3,697</td>
<td>4,746 (128)</td>
</tr>
<tr>
<td>Other short-term borrowings</td>
<td>69,060</td>
<td>65,356</td>
<td>3,704 (6)</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>158,097</td>
<td>163,416</td>
<td>(5,319) (3)</td>
</tr>
<tr>
<td>Brokerage and securities related payables</td>
<td>128,010</td>
<td>139,733</td>
<td>(11,723) (8)</td>
</tr>
<tr>
<td>Remaining liabilities</td>
<td>69,511</td>
<td>74,787</td>
<td>(5,276) (7)</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,957,919</td>
<td>2,109,443</td>
<td>(151,524) (7)</td>
</tr>
<tr>
<td>Total equity</td>
<td>54,410</td>
<td>54,660</td>
<td>(250) (0)</td>
</tr>
</tbody>
</table>

Movements in Assets

The overall decrease of € 152 billion compared to December 31, 2011 was largely related to a € 91 billion reduction in positive market values from derivatives, primarily driven by yield curve changes, tightening credit spreads, maturing trades as well as the strengthening Euro against major currencies.

The € 12 billion increase in cash and due from banks and the € 42 billion decrease in interest earning deposits with banks reflect our liquidity management activities during the year, including the reduction in our discretionary wholesale funding liabilities.

Brokerage and securities related receivables were down by € 26 billion compared to December 31, 2011, due to extraordinary low trading volumes over the year-end 2012.

During 2012, loans declined by € 15 billion, primarily from managed reductions in our NCOU.

Foreign exchange rate movements (included in numbers above), in particular of the U.S. dollar and Japanese yen versus the euro, contributed € 25 billion to the decrease of our balance sheet during 2012.

Movements in Liabilities

Total liabilities decreased by € 152 billion over the year 2012, with a € 86 billion reduction in negative market values from derivatives representing the major driver, primarily due to the same reasons driving the reduction in positive market values from derivatives as outlined above.

Deposits were down by € 25 billion, largely impacted by (i) an alignment within the Group of cash/margin collateral received resulting in a € 17 billion reclassification out of deposits into brokerage and securities related
payables as of year-end 2012, and (ii) a reduction in discretionary wholesale funding liabilities, partially offset by an increase in retail and transaction banking deposits.

The €12 billion decrease in brokerage and securities related payables reflects extraordinary low trading volumes over the year 2012, partially offset by the above mentioned reclassification out of deposits.

Equity
Total equity decreased by €250 million between 2011 and 2012. The main factors contributing to this development were noncontrolling interests which decreased by €863 million, the cash dividend paid to Deutsche Bank shareholders of €689 million and actuarial gains (losses) which decreased by €452 million. These negative effects were mostly offset by a decrease of €763 million in Treasury shares, which are deducted from equity, the increase of accumulated other comprehensive income of €688 million and net income attributable to Deutsche Bank shareholders, which amounted to €237 million. The increase in accumulated other comprehensive income was mainly a result of unrealized net gains on financial assets available for sale of €1.1 billion that were partly offset by negative effects from exchange rate changes of €423 million namely related to the U.S. dollar. Unrealized net gains on financial assets available for sale were mainly related to improved market prices of debt securities from European issuers. The decrease in noncontrolling interests was mainly driven by the exercise of Deutsche Post’s put option on Postbank’s shares in February 2012 and by the conclusion of a domination and profit and loss transfer agreement with Postbank in the second quarter 2012.

Regulatory Capital
The calculation of our regulatory capital as of December 31, 2012 is based on the “Basel 2.5”-framework as implemented by the Capital Requirements Directive 3 into the German Banking Act and the Solvency Regulation. Our Total regulatory capital (Tier 1 and Tier 2 capital) reported under Basel 2.5 was €57.0 billion at the end of 2012 compared to €55.2 billion at the end of 2011. Tier 1 capital increased to €50.5 billion at the end of 2012 versus €49.0 billion at the end of 2011. As of December 31, 2012, Common Equity Tier 1 (formerly referred to as Core Tier 1) capital increased to €38.0 billion from €36.3 billion at the end of 2011. The increase in both levels of Tier 1 capital primarily reflected reduced capital deduction items.

Amendments to IAS 39 and IFRS 7, “Reclassification of Financial Assets”
As of December 31, 2012 and December 31, 2011 the carrying value of reclassified assets was €17.0 billion and €22.9 billion, respectively, compared with a fair value of €15.4 billion and €20.2 billion as of December 31, 2012 and December 31, 2011, respectively. These assets are held in the NCOU.

Please refer to Note 14 “Amendments to IAS 39 and IFRS 7, ‘Reclassification of Financial Assets’” for additional information on these assets and on the impact of their reclassification.

Exposure to Monoline Insurers
The deterioration of the U.S. subprime mortgage and related markets has generated large exposures to financial guarantors, such as monoline insurers, that have insured or guaranteed the value of pools of collateral referenced by CDOs and other market-traded securities. Actual claims against monoline insurers will only become due if actual defaults occur in the underlying assets (or collateral). There is ongoing uncertainty as to whether some monoline insurers will be able to meet all their liabilities to banks and other buyers of protection. Under certain conditions (e.g., liquidation) we can accelerate claims regardless of actual losses on the underlying assets.

The following tables summarize the fair value of our counterparty exposures to monoline insurers with respect to U.S. residential mortgage-related activity and other activities, respectively, in each case on the basis of the fair value of the assets compared with the notional value guaranteed or underwritten by monoline insurers. The other exposures described in the second table arise from a range of client and trading activity, including collateralized loan obligations, commercial mortgage-backed securities, trust preferred securities, student loans and public sector or municipal debt. The tables show the associated Credit Valuation Adjustments (“CVA”) that we
have recorded against the exposures. For monolines with actively traded CDS, the CVA is calculated using a full CDS-based valuation model. For monolines without actively traded CDS, a model-based approach is used with various input factors, including relevant market driven default probabilities, the likelihood of an event (either a restructuring or an insolvency), an assessment of any potential settlement in the event of a restructuring, and recovery rates in the event of either restructuring or insolvency. The monoline CVA methodology is reviewed on a quarterly basis by management; since the second quarter of 2011 market based spreads have been used more extensively in the CVA assessment.

The ratings in the tables below are the lowest of Standard & Poor’s, Moody’s or our own internal credit ratings.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>Notional amount</td>
<td>Value prior to CVA</td>
</tr>
<tr>
<td>AA Monolines:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other subprime</td>
<td>112</td>
<td>47</td>
</tr>
<tr>
<td>Alt-A</td>
<td>3,011</td>
<td>1,181</td>
</tr>
<tr>
<td>Total AA Monolines</td>
<td>3,123</td>
<td>1,228</td>
</tr>
<tr>
<td>Non Investment Grade Monolines:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TPS-CLO</td>
<td>2,441</td>
<td>575</td>
</tr>
<tr>
<td>CMBS</td>
<td>1,092</td>
<td>2</td>
</tr>
<tr>
<td>Corporate single name/Corporate CDO</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Student loans</td>
<td>297</td>
<td>29</td>
</tr>
<tr>
<td>Other</td>
<td>882</td>
<td>274</td>
</tr>
<tr>
<td>Total Non Investment Grade Monolines</td>
<td>4,712</td>
<td>880</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Monoline exposure</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>Notional amount</td>
<td>Value prior to CVA</td>
</tr>
<tr>
<td>AA Monolines:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TPS-CLO</td>
<td>455</td>
<td>147</td>
</tr>
<tr>
<td>CMBS</td>
<td>3,377</td>
<td>92</td>
</tr>
<tr>
<td>Corporate single name/Corporate CDO</td>
<td>12</td>
<td>–</td>
</tr>
<tr>
<td>Student loans</td>
<td>1,284</td>
<td>534</td>
</tr>
<tr>
<td>Other</td>
<td>1,084</td>
<td>185</td>
</tr>
<tr>
<td>Total Non Investment Grade Monolines</td>
<td>6,212</td>
<td>958</td>
</tr>
</tbody>
</table>

The tables exclude counterparty exposure to monoline insurers that relates to wrapped bonds. A wrapped bond is one that is insured or guaranteed by a third party. As of December 31, 2012 and December 31, 2011, the exposure on wrapped bonds related to U.S. residential mortgages was € 11 million and € 52 million, respectively, and the exposure on wrapped bonds other than those related to U.S. residential mortgages was € 40 million and € 46 million, respectively. In each case, the exposure represents an estimate of the potential mark-downs of wrapped assets in the event of monoline defaults.

A proportion of the mark-to-market monoline exposure has been mitigated with CDS protection arranged with other market counterparties and other economic hedge activity.

As of December 31, 2012 and December 31, 2011 the total Credit Valuation Adjustment held against monoline insurers was € 737 million and € 1,109 million respectively.
Special Purpose Entities and Off Balance Sheet Arrangements

We engage 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 risk and to provide market liquidity for clients through securitizing financial assets. SPEs may be established as corporations, trusts or partnerships.

We may or may not consolidate SPEs that we have set up or sponsored or with which we have a contractual relationship. We will consolidate an SPE when we have the power to govern its financial and operating policies, generally accompanying a shareholding, either directly or indirectly, of more than half the voting rights. If the activities of the SPEs are narrowly defined or it is not evident who controls the financial and operating policies of the SPE we will consider other factors to determine whether we have the majority of the risks and rewards. We reassess our treatment of SPEs for consolidation when there is a change in the SPE’s arrangements or the substance of the relationship between us and an SPE changes. For further detail on our accounting policies regarding consolidation and reassessment of consolidation of SPEs please refer to Note 01 “Significant Accounting Policies” in our consolidated financial statements.

In limited situations we consolidate some SPEs for both financial reporting and German regulatory purposes. However, in all other cases we hold regulatory capital, as appropriate, against all SPE-related transactions and related exposures, such as derivative transactions and lending-related commitments and guarantees.

The following sections provide details about the assets (after consolidation eliminations) in our consolidated SPEs and our maximum unfunded exposure remaining to certain non-consolidated SPEs.

Total Assets in Consolidated SPEs

<table>
<thead>
<tr>
<th>Category:</th>
<th>Financial assets at fair value through profit or loss</th>
<th>Financial assets available for sale</th>
<th>Loans</th>
<th>Cash and cash equivalents</th>
<th>Other assets</th>
<th>Total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group sponsored ABCP conduits</td>
<td>–</td>
<td>79</td>
<td>8,433</td>
<td>12</td>
<td>16</td>
<td>8,540</td>
</tr>
<tr>
<td>Group sponsored securitizations</td>
<td>1,889</td>
<td>344</td>
<td>1,100</td>
<td>4</td>
<td>70</td>
<td>3,407</td>
</tr>
<tr>
<td>Third party sponsored securitizations</td>
<td>485</td>
<td>–</td>
<td>469</td>
<td>13</td>
<td>132</td>
<td>1,099</td>
</tr>
<tr>
<td>Repackaging and investment products</td>
<td>4,287</td>
<td>1,038</td>
<td>84</td>
<td>348</td>
<td>257</td>
<td>6,014</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>4,115</td>
<td>–</td>
<td>–</td>
<td>493</td>
<td>8</td>
<td>4,616</td>
</tr>
<tr>
<td>Structured transactions</td>
<td>357</td>
<td>104</td>
<td>1,151</td>
<td>44</td>
<td>182</td>
<td>1,838</td>
</tr>
<tr>
<td>Operating entities</td>
<td>2,638</td>
<td>4,070</td>
<td>3,023</td>
<td>55</td>
<td>3,239</td>
<td>13,025</td>
</tr>
<tr>
<td>Other</td>
<td>215</td>
<td>333</td>
<td>499</td>
<td>31</td>
<td>343</td>
<td>1,421</td>
</tr>
<tr>
<td>Total</td>
<td>13,986</td>
<td>5,968</td>
<td>14,759</td>
<td>1,000</td>
<td>4,247</td>
<td>39,960</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category:</th>
<th>Financial assets at fair value through profit or loss</th>
<th>Financial assets available for sale</th>
<th>Loans</th>
<th>Cash and cash equivalents</th>
<th>Other assets</th>
<th>Total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group sponsored ABCP conduits</td>
<td>–</td>
<td>39</td>
<td>10,998</td>
<td>1</td>
<td>33</td>
<td>11,071</td>
</tr>
<tr>
<td>Group sponsored securitizations</td>
<td>2,044</td>
<td>191</td>
<td>1,169</td>
<td>3</td>
<td>48</td>
<td>3,455</td>
</tr>
<tr>
<td>Third party sponsored securitizations</td>
<td>–</td>
<td>–</td>
<td>493</td>
<td>14</td>
<td>156</td>
<td>663</td>
</tr>
<tr>
<td>Repackaging and investment products</td>
<td>5,032</td>
<td>971</td>
<td>207</td>
<td>606</td>
<td>409</td>
<td>7,225</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>3,973</td>
<td>–</td>
<td>–</td>
<td>1,934</td>
<td>566</td>
<td>6,473</td>
</tr>
<tr>
<td>Structured transactions</td>
<td>2,425</td>
<td>43</td>
<td>3,748</td>
<td>22</td>
<td>334</td>
<td>6,572</td>
</tr>
<tr>
<td>Operating entities</td>
<td>2,116</td>
<td>3,879</td>
<td>3,228</td>
<td>102</td>
<td>3,439</td>
<td>12,764</td>
</tr>
<tr>
<td>Other</td>
<td>114</td>
<td>239</td>
<td>329</td>
<td>84</td>
<td>548</td>
<td>1,314</td>
</tr>
<tr>
<td>Total</td>
<td>15,704</td>
<td>5,362</td>
<td>20,172</td>
<td>2,766</td>
<td>5,533</td>
<td>49,537</td>
</tr>
</tbody>
</table>

1 Fair value of derivative positions is € 218 million.

1 Fair value of derivative positions is € 580 million.
Group Sponsored ABCP Conduits

The Group sets up, sponsors and administers asset-backed commercial paper (ABCP) programs. These programs provide our customers with access to liquidity in the commercial paper market and create investment products for our clients. As an administrative agent for the commercial paper programs, we facilitate the purchase of non-Deutsche Bank Group loans, securities and other receivables by the commercial paper conduit (conduit), which then issues to the market high-grade, short-term commercial paper, collateralized by the underlying assets, to fund the purchase. The conduits require sufficient collateral, credit enhancements and liquidity support to maintain an investment grade rating for the commercial paper. We are the liquidity provider to these conduits and therefore exposed to changes in the carrying value of their assets. We consolidate the majority of our sponsored conduit programs because we have the controlling interest.

Our liquidity exposure to these conduits is to the entire commercial paper issued of € 9.3 billion and € 11.6 billion as of December 31, 2012 and December 31, 2011, of which we held € 393 million and € 2.5 billion, respectively.

The collateral in the conduits includes a range of asset-backed loans and securities, including aircraft leasing, student loans, trust preferred securities and residential- and commercial-mortgage-backed securities. The collateral in the conduits has decreased due to the repayment of certain transactions and the sale of loans to other entities within the Group.

Group Sponsored Securitizations

We sponsor SPEs for which we originate or purchase assets. These assets are predominantly commercial and residential whole loans or mortgage-backed securities. The SPEs fund these purchases by issuing multiple tranches of securities, the repayment of which is linked to the performance of the assets in the SPE. When we retain a subordinated interest in the assets that have been securitized, an assessment of the relevant factors is performed and, if SPEs are controlled by us, they are consolidated. The fair value of our retained exposure in these securitizations as of December 31, 2012 and December 31, 2011 was € 3.4 billion and € 3.1 billion, respectively.

Third Party Sponsored Securitizations

In connection with our securities trading and underwriting activities, we acquire securities issued by third party securitization vehicles that purchase diversified pools of commercial and residential whole loans or mortgage-backed securities. The vehicles fund these purchases by issuing multiple tranches of securities, the repayment of which is linked to the performance of the assets in the vehicles. When we hold a subordinated interest in the SPE, an assessment of the relevant factors is performed and if SPEs are controlled by us, they are consolidated. The increase in the total assets of these SPEs is mainly due to the consolidation of certain Collateralized Mortgage Obligations in the period. As of December 31, 2012 and December 31, 2011 the fair value of our retained exposure in these securitizations was € 1.0 billion and € 0.6 billion, respectively.

Repackaging and Investment Products

Repackaging is a similar concept to securitization. The primary difference is that the components of the repackaging SPE are generally securities and derivatives, rather than non-security financial assets, which are then “repackaged” into a different product to meet specific individual investor needs. We consolidate these SPEs when we have the majority of risks and rewards inherent in the repackaging entity. Risks and rewards inherent in the repackaging entity may include price movements of the underlying asset for equity, credit, interest rate and other risks and the potential variability arising from those risks. Our consolidation assessment considers the exposures that both Deutsche Bank and the investor(s) have in relation to the repackaging entity via derivatives and other instruments. Investment products offer clients the ability to become exposed to specific portfolios of assets and risks through purchasing our structured notes. We hedge this exposure by purchasing interests in SPEs that match the return specified in the notes. The decrease in total assets of € 1.2 billion is mainly driven by the repayment of certain facilities in the period. In addition to the assets of consolidated re-
packaging vehicles shown in the table the nominal value of the total assets in non-consolidated repackaging vehicles was € 33 billion and € 35 billion as December 31, 2012 and December 31, 2011 respectively.

Mutual Funds
We offer clients mutual fund and mutual fund-related products which pay returns linked to the performance of the assets held in the funds. We provide a guarantee feature to certain funds in which we guarantee certain levels of the net asset value to be returned to investors at certain dates. The risk for us as guarantor is that we have to compensate the investors if the market values of such products at their respective guarantee dates are lower than the guaranteed levels. For our investment management service in relation to such products, we earn management fees and, on occasion, performance-based fees. We are not contractually obliged to support these funds and have not done so during 2012. During 2012 the amount of assets held in consolidated funds decreased by € 1.9 billion. This movement was predominantly due to client money outflows during the period.

Structured Transactions
We enter into certain structures which offer clients funding opportunities at favorable rates. The funding is predominantly provided on a collateralized basis. These structures are individually tailored to the needs of our clients. We consolidate these SPEs when we hold the controlling interest or we have the majority of the risks and rewards through a residual interest holding and/or a related liquidity facility. The composition of the SPEs that we consolidate is influenced by the execution of new transactions and the maturing, restructuring and exercise of early termination options with respect to existing transactions. The total assets decreased by € 4.7 billion during 2012 due to the unwinding of certain trades.

Operating Entities
We establish SPEs to conduct some of our operating business when we benefit from the use of an SPE. These include direct holdings in certain proprietary investments and the issuance of credit default swaps where our exposure has been limited to our investment in the SPE. We consolidate these entities when we hold the controlling interest or are exposed to the majority of risks and rewards of the SPE.

Exposure to Non-consolidated SPEs
We do not consolidate all the SPEs that we transact with but we may have exposure to non-consolidated SPEs through certain arrangements. These arrangements include the provision of sponsorship for commercial paper conduits, finance-related support to third party conduits, liquidity facilities, repurchase and loan commitments and guarantees. These arrangements are discussed in greater detail below.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum unfunded exposure by category:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group sponsored ABCP conduits</td>
<td>0.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Third party ABCP conduits</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Third party sponsored securitizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>non-U.S.</td>
<td>1.9</td>
<td>1.4</td>
</tr>
<tr>
<td>Guaranteed mutual funds¹</td>
<td>9.5</td>
<td>9.8</td>
</tr>
<tr>
<td>Real estate leasing funds</td>
<td>0.7</td>
<td>0.7</td>
</tr>
</tbody>
</table>

¹ Notional amount of the guarantees.
Group Sponsored ABCP Conduits
We sponsor and administer four ABCP conduits, established in Australia, which are not consolidated because we do not hold the majority of risks and rewards. These conduits provide our clients with access to liquidity in the commercial paper market in Australia. As of December 31, 2012 and December 31, 2011 they had assets totaling € 0.6 billion and € 1.0 billion respectively, consisting of securities backed by non-U.S. residential mortgages issued by warehouse SPEs set up by the clients to facilitate the purchase of the assets by the conduits. The minimum credit rating for these securities is AA–. The credit enhancement necessary to achieve the required credit ratings is ordinarily provided by mortgage insurance extended by third-party insurers to the SPEs.

The weighted average life of the assets held in the conduits is five years. The average life of the commercial paper issued by these off-balance sheet conduits is one to three months.

Our exposure to these entities is limited to the committed liquidity facilities totaling € 0.8 billion as of December 31, 2012 and € 1.2 billion as of December 31, 2011. None of these facilities have been drawn. The decrease in the liquidity facilities has been due to the maturity and reduction of certain facilities during the period. Advances against the liquidity facilities are collateralized by the underlying assets held in the conduits, and thus a drawn facility will be exposed to volatility in the value of the underlying assets. Should the assets decline sufficiently in value, there may not be sufficient funds to repay the advance. As of December 31, 2012 we did not hold material amounts of commercial paper or notes issued by these conduits.

Third Party ABCP Conduits
In addition to sponsoring our commercial paper programs, we also assist third parties with the formation and ongoing risk management of their commercial paper programs. We do not consolidate any third party ABCP conduits as we do not control them.

Our assistance to third party conduits is primarily financing-related in the form of unfunded committed liquidity facilities and unfunded committed repurchase agreements in the event of disruption in the commercial paper market. The liquidity facilities and committed repurchase agreements are recorded off-balance sheet unless a contingent payment is deemed probable and estimable, in which case a liability is recorded. At December 31, 2012 and 2011, the notional amount of undrawn facilities provided by us was € 1.8 billion and € 1.9 billion, respectively. These facilities are collateralized by the assets in the SPEs and therefore the movement in the fair value of these assets will affect the recoverability of the amount drawn.

Third Party Sponsored Securitizations
The third party securitization vehicles to which we, and in some instances other parties, provide financing are third party-managed investment vehicles that purchase diversified pools of assets, including fixed income securities, corporate loans, asset-backed securities (predominantly commercial mortgage-backed securities, residential mortgage-backed securities and credit card receivables) and film rights 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 notional amount of liquidity facilities with an undrawn component provided by us as of December 31, 2012 and December 31, 2011 was € 7.0 billion and € 8.2 billion, respectively, of which € 3.6 billion and € 5.2 billion had been drawn and € 3.3 billion and € 3.0 billion were still available to be drawn as detailed in the table. All facilities are available to be drawn if the assets meet certain eligibility criteria and performance triggers are not reached. These facilities are collateralized by the assets in the SPEs and therefore the movement in the fair value of these assets affects the recoverability of the amount drawn.

**Mutual Funds**
We provide guarantees to funds whereby we guarantee certain levels of the net asset value to be returned to investors at certain dates. These guarantees do not result in us consolidating the funds; they are recorded on-balance sheet as derivatives at fair value with changes in fair value recorded in the consolidated statement of income. The fair value of the guarantees was € 32 million as of December 31, 2012. As of December 31, 2012, these non-consolidated funds had € 10.9 billion assets under management and provided guarantees of € 9.5 billion. As of December 31, 2011, assets of € 10.6 billion and guarantees of € 9.8 billion were reported.

**Real Estate Leasing Funds**
We provide guarantees to SPEs that hold real estate assets (commercial and residential land and buildings and infrastructure assets located in Germany) that are financed by third parties and leased to our clients. These guarantees are only drawn upon in the event that the asset is destroyed and the insurance company does not pay for the loss. If the guarantee is drawn we hold a claim against the insurance company. We also write put options to closed-end real estate funds set up by us, which purchase commercial or infrastructure assets located in Germany and which are then leased to third parties. The put option allows the shareholders to sell the asset to us at a fixed price at the end of the lease. As of December 31, 2012 and December 31, 2011 the notional amount of the guarantees was € 476 million and € 501 million respectively, and the notional of the put options was € 228 million and € 239 million respectively. We do not consolidate these SPEs as we do not hold the majority of their risks and rewards.

For further information on off-balance sheet arrangements, including allowances for off-balance sheet positions, please refer to the Risk Report. Additional information is also included in Note 30 “Credit related Commitments and Contingent Liabilities”.

As of January 1, 2013 the Group has adopted the requirements of IFRS 10 “Consolidated Financial Statements” and IFRS 12 “Disclosure of Interests in Other Entities.” IFRS 12 requires the Group to provide more comprehensive disclosures related to the nature, associated risks, and financial effects of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. As a result the disclosure requirements by IFRS 12 will be made in the notes to the financial statements as of year-end 2013. For further information, see Note 03 “Recently Adopted and New Accounting Pronouncements”.

**Liquidity and Capital Resources**
For a detailed discussion of our liquidity risk management, see our Risk Report.
Long-term Credit Ratings

Maintaining a strong credit quality is a fundamental value driver for our clients, bondholders and shareholders. In 2012, bank ratings globally continued to decline based on the difficult macroeconomic environment and the ongoing sovereign debt crisis. Despite these challenges, Deutsche Bank was able to retain its A+ long-term credit ratings assigned by both Standard and Poor’s and Fitch.

In the first quarter 2012, Moody’s initiated a comprehensive rating review of 114 European banks and 17 banks and securities firms with global capital markets operations. Upon conclusion of the review, most banks were subject to a downward rating action of up to three notches. On June 21, 2012, Deutsche Bank AG’s long-term credit rating was downgraded by two notches to A2 in this context. Moody’s attributed the downgrade to the bank’s large capital markets business and the resulting challenges for the bank’s risk management in a persisting difficult business environment.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s Investors Service, New York¹</td>
<td>A2</td>
<td>Aa3</td>
<td>Aa3</td>
</tr>
<tr>
<td>Standard &amp; Poor’s, New York²</td>
<td>A+</td>
<td>A+</td>
<td>A+</td>
</tr>
<tr>
<td>Fitch Ratings, New York³</td>
<td>A+</td>
<td>A+</td>
<td>AA-</td>
</tr>
</tbody>
</table>

¹ Moody’s defines A-rated obligations as upper-medium grade obligations which are subject to low credit risk. The numerical modifier 2 indicates a ranking in the middle of the A category.
² Standard and Poor’s defines its A rating as somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor’s capacity to meet its financial commitment on the obligation is still strong. The plus indicates a ranking in the higher end of the A category.
³ Fitch Ratings defines it’s A rating as high credit quality. Fitch Ratings uses the A rating to denote expectations of low default risk. According to Fitch Ratings, A ratings indicate a strong capacity for payment of financial commitments. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than higher ratings. The plus indicates a ranking in the higher end of the A category.

Each rating reflects the view of the rating agency only at the time it gave us the rating, and you should evaluate each rating separately and look to the rating agencies for any explanations of the significance of their ratings. The rating agencies can change their ratings at any time if they believe that circumstances so warrant. You should not view these long-term credit ratings as recommendations to buy, hold or sell our securities.
### Tabular Disclosure of Contractual Obligations

Cash payment requirements outstanding as of December 31, 2012.

<table>
<thead>
<tr>
<th>Contractual obligations</th>
<th>Total</th>
<th>Less than 1 year</th>
<th>1–3 years</th>
<th>3–5 years</th>
<th>More than 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term debt obligations</td>
<td>176,777</td>
<td>42,493</td>
<td>38,131</td>
<td>36,254</td>
<td>59,899</td>
</tr>
<tr>
<td>Trust preferred securities</td>
<td>14,715</td>
<td>5,367</td>
<td>2,731</td>
<td>2,791</td>
<td>3,826</td>
</tr>
<tr>
<td>Long-term financial liabilities designated at fair value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>through profit or loss</td>
<td>13,539</td>
<td>4,540</td>
<td>2,881</td>
<td>1,702</td>
<td>4,417</td>
</tr>
<tr>
<td>Finance lease obligations</td>
<td>57</td>
<td>10</td>
<td>30</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Operating lease obligations</td>
<td>5,051</td>
<td>880</td>
<td>1,369</td>
<td>1,057</td>
<td>1,745</td>
</tr>
<tr>
<td>Purchase obligations</td>
<td>2,386</td>
<td>686</td>
<td>1,180</td>
<td>472</td>
<td>48</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td>35,245</td>
<td></td>
<td>12,152</td>
<td>7,099</td>
<td>15,994</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>5,457</td>
<td>210</td>
<td>194</td>
<td>2,661</td>
<td>2,392</td>
</tr>
<tr>
<td>Total</td>
<td>253,227</td>
<td>54,184</td>
<td>58,668</td>
<td>52,043</td>
<td>88,331</td>
</tr>
</tbody>
</table>

1 Includes interest payments.

2 Long-term debt and long-term deposits designated at fair value through profit or loss.

Figures above do not include the revenues of noncancelable sublease rentals of € 190 million on operating leases. Purchase obligations for goods and services include future payments for, among other things, facility management, information technology and security settlement services. Some figures above for purchase obligations represent minimum contractual payments and actual future payments may be higher. Long-term deposits exclude contracts with a remaining maturity of less than one year. Under certain conditions future payments for some long-term financial liabilities designated at fair value through profit or loss may occur earlier. See the following notes to the consolidated financial statements for further information: Note 06 “Net Interest Income and Net Gains (Losses) on Financial Assets/Liabilities at Fair Value through Profit or Loss”, Note 24 “Leases”, Note 28 “Deposits” and Note 32 “Long-Term Debt and Trust Preferred Securities”.
Events after the Reporting Date

All significant adjusting events that occurred after the reporting date were recognized in our results of operations, financial position and net assets.
Risk Report

Introduction

Disclosures in line with IFRS 7 and IAS 1
The following Risk Report provides qualitative and quantitative disclosures about credit, market and other risks in line with the requirements of International Financial Reporting Standard 7 (IFRS 7) Financial Instruments: Disclosures, and capital disclosures required by International Accounting Standard 1 (IAS 1) Presentation of Financial Statements. Information which forms part of and is incorporated by reference into the financial statements of this report is marked by a bracket in the margins throughout this Risk Report.

Disclosures according to Pillar 3 of the Basel Capital Framework
In previous years (since 2008), the Pillar 3 disclosures had been provided in separate Pillar 3 Reports. Starting with year-end 2012, the risk report also incorporates the Pillar 3 disclosures resulting from the revised international capital adequacy standards as recommended by the Basel Committee on Banking Supervision (Basel 2), including the amendments for trading book and securitization positions as applicable since December 31, 2011 (Basel 2.5). The European Union enacted the Capital Requirements Directive 3, which adopted the Basel 2.5 capital framework in Europe. Germany adopted the Capital Requirements Directive 3 into national law and revised the disclosure requirements related to Pillar 3 in Section 26a of the German Banking Act (“Kreditwesengesetz” or “KWG”) and in Part 5 of the German Regulation on Solvency (“Solvabilitätsverordnung”, “Solvency Regulation” or “SolvV”).

Per regulation it is not required to audit Pillar 3 disclosures. As such certain Pillar 3 disclosures are labeled unaudited.

We have applied the revised capital framework for the majority of our risk exposures on the basis of internal models for measuring credit risk, market risk and operational risk, as approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, referred to as “BaFin”). All Pillar 3 relevant disclosures are compiled based upon a set of internally defined principles and related processes as stipulated in our applicable Pillar 3 disclosure policy.

The following table provides the location of the Pillar 3 disclosure topics in this Risk Report.
Pillar 3 disclosures in our Financial Report

<table>
<thead>
<tr>
<th>Pillar 3 Disclosure topic</th>
<th>Where to find in our Financial Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction and Scope of Application of Pillar 3</td>
<td>“Introduction”</td>
</tr>
<tr>
<td>Capital Adequacy</td>
<td>“Regulatory Capital”</td>
</tr>
<tr>
<td>Counterparty Credit Risk: Strategy and Processes</td>
<td>“Credit Risk”, “Asset Quality”, “Counterparty Credit Risk: Regulatory Assessment” and Note 01 “Significant Accounting Policies”</td>
</tr>
<tr>
<td>Counterparty Credit Risk: Regulatory Assessment</td>
<td>“Securitization” and Note 01 “Significant Accounting Policies”</td>
</tr>
<tr>
<td>Securitization</td>
<td>“Securitization” and Note 01 “Significant Accounting Policies”</td>
</tr>
<tr>
<td>Operational Risk</td>
<td>“Operational Risk”</td>
</tr>
<tr>
<td>Liquidity Risk</td>
<td>“Liquidity Risk”</td>
</tr>
</tbody>
</table>

Disclosures according to principles and recommendations of the Enhanced Disclosure Task Force (EDTF)

In 2012 the Enhanced Disclosure Task Force (“EDTF”) was established as a private sector initiative under the auspice of the Financial Stability Board, with the primary objective to develop fundamental principles for enhanced risk disclosures and to recommend improvements to existing risk disclosures. As a member of the EDTF we implemented many of the disclosure recommendations in this Risk Report, with further enhancements being considered for 2013.

General Approach

The sections on qualitative and quantitative risk disclosures provide a comprehensive view on the risk profile of Deutsche Bank Group. All quantitative information generally reflects Deutsche Bank Group including Postbank for the reporting dates December 31, 2012 and December 31, 2011.

With the legally enforceable domination agreement between Deutsche Bank and Postbank in place since September 2012, Postbank’s risk management function has been functionally integrated in our risk function, e.g., regarding functional reporting lines, joint committee structure and group-wide policies. Statements regarding risk management hence always refer to the Group including Postbank. In limited instances where differing approaches remain or where a consolidated view for quantitative information cannot be presented, this is separately highlighted.

Scope of Consolidation

The following sections providing quantitative information refer to our financial statements in accordance with International Financial Reporting Standards. Consequently, the reporting is generally based on the IFRS principles of valuation and consolidation. However, in particular for Pillar 3 purposes, regulatory principles of consolidation are relevant which differ from those applied for our financial statements and are described in more detail below. Where the regulatorily relevant scope is used this is explicitly stated.
Scope of the Regulatory Consolidation

Deutsche Bank Aktiengesellschaft ("Deutsche Bank AG"), headquartered in Frankfurt am Main, Germany, is the parent institution of the Deutsche Bank group of institutions (the "regulatory group"), which is subject to the supervisory provisions of the KWG and the SolvV. Under Section 10a KWG, a regulatory group of institutions consists of a credit institution (also referred to as a "bank") or financial services institution, as the parent company, and all other banks, financial services institutions, investment management companies, financial enterprises, payment institutions and ancillary services enterprises which are subsidiaries in the meaning of Section 1 (7) KWG. Such entities are fully consolidated for our regulatory reporting. Additionally certain companies which are not subsidiaries can be included on a pro-rata basis. Insurance companies and companies outside the finance sector are not consolidated in the regulatory group of institutions.

For financial conglomerates, however, insurance companies are included in an additional capital adequacy calculation (also referred to as "solvency margin"). We have been designated by the BaFin as a financial conglomerate in October 2007.

The regulatory principles of consolidation are not identical to those applied for our financial statements. Nonetheless, the majority of subsidiaries according to the KWG are also fully consolidated in accordance with IFRS in our consolidated financial statements.

The main differences between regulatory and accounting consolidation are:

— Entities which are controlled by us but do not belong to the banking industry, do not form part of the regulatory group of institutions, however are included in the consolidated financial statements according to IFRS.

— Most of our Special Purpose Entities ("SPEs") consolidated under IFRS do not meet the specific consolidation requirements pursuant to Section 10a KWG and are consequently not consolidated within the regulatory group. However, the risks resulting from our exposures to such entities are reflected in the regulatory capital requirements.

— Some entities included in the regulatory group are not consolidated for accounting purposes but are treated differently, in particular using the equity method of accounting. There are two entities within our regulatory group which are jointly controlled by its owners and consolidated on a pro-rata basis. One entity is voluntarily consolidated on a pro-rata basis. All three entities are treated according to the equity method of accounting in our financial statements.

As of year-end 2012, our regulatory group comprised 913 subsidiaries, of which 3 were consolidated on a pro-rata basis. Our regulatory group comprised 137 credit institutions, 3 payment institutions, 80 financial services institutions, 514 financial enterprises, 14 investment management companies and 165 ancillary services enterprises.

As of year-end 2011, our regulatory group comprised 1,027 subsidiaries, of which 3 were consolidated on a pro-rata basis. The regulatory group comprised 152 credit institutions, 2 payment institutions, 93 financial services institutions, 627 financial enterprises, 14 investment management companies and 139 ancillary services enterprises.

131 entities were exempted from regulatory consolidation pursuant to Section 31 (3) KWG as per year end 2012 (year end 2011: 102 entities). Section 31 (3) KWG allows the exclusion of small entities in the regulatory scope of application from consolidated regulatory reporting if either their total assets are below € 10 million or below 1 % of total assets. None of these entities need to be consolidated in our financial statements in accordance with IFRS. The book values of our participations in their equity were deducted from our regulatory capital, in total € 31 million as per year end 2012 (year end 2011: €12 million).

The same deduction treatment was applied to a further 267 unconsolidated (in the meaning of regulatory consolidation) entities and three immaterial insurance entities, not included in the solvency margin, which we de-
ducted from our regulatory capital pursuant to Section 10 (6) KWG. Section 10 (6) No. 1, 2, 3 and 5 KWG requires the deduction of participating interests in unconsolidated banking, financial and insurance entities from regulatory capital when more than 10% of the capital is held (in case of insurance entities, 20% of either the capital or voting rights unless included in the solvency margin calculation of the financial conglomerate). Since we are classified as a financial conglomerate, material investments in insurance entities amounting to at least 20% of capital or voting rights are not deducted from our regulatory capital as they are included in our solvency calculation at the financial conglomerate level.

Risk Management Executive Summary

The overall focus of Risk and Capital Management in 2012 was on strengthening our capital base and supporting our strategic initiatives whilst maintaining our risk profile in line with our risk strategy.

Overall Risk Assessment
Key risk categories for us include credit risk, market risk, operational risk, business risk (including tax and strategic risk), reputational risk and liquidity risk. We manage the identification, assessment and mitigation of top and emerging risks through a rigorous governance process and robust risk management tools and processes. Our proactive approach to identification and impact assessment aims to ensure that we mitigate the impact of these risks on our financial results, long term strategic goals and reputation.

As part of our regular risk and cross-risk analysis, sensitivities of the key portfolio risks are reviewed through a bottom-up risk assessment and through a top-down macro-economic and political scenario analysis. This two-pronged approach allows us to capture risks that have an impact across our risk inventories and business divisions or those that are relevant only to specific portfolios.

Current portfolio wide risks on which we have been focused in 2012 include: the potential escalation of the European sovereign debt crisis, the impact of a potential US fiscal austerity shock, a potential slowdown in Asian growth and the potential risk of a steep oil price increase resulting from a geopolitical shock. These risks have been a consistent focus throughout recent quarters. The assessment of the potential impacts of these risks has been made through integration into our group-wide stress tests which assess our ability to absorb these events should they occur. The results of these tests showed that we currently have adequate capital and liquidity reserves to absorb the impact of these risks if they were to materialize.

The year 2012 has continued to see increased regulation in the financial services industry. We are also focused on ensuring that we act proactively to identify potential political and regulatory changes and assess the possible impact on our business model or processes. We have a dedicated function which oversees and coordinates the proactive identification, assessment and implementation of requirements due to new regulation including the participation in numerous consultation processes.

As part of our overall capital strategy, assets and portfolios deemed as non strategic or in some cases underperforming have been moved to a newly created Non-Core Operations Unit (NCOU). This division actively oversees, manages and drives an accelerated de-risking program aligned with our externally announced strategic targets. Assets assigned to this unit are managed consistently and in accordance with our risk framework and principles.

Credit Risk Summary
Adherence to our core credit principles of proactive and prudent risk management has enabled us to weather a sustained volatile macro-economic credit environment over 2012 and has contributed to the containment of loan losses. This has been achieved by application of our existing risk management philosophy of conservative underwriting standards, active concentration risk management and risk mitigation strategies including collateral, hedging, netting and credit support arrangements.
Credit exposure remained diversified by region, industry and counterparty. Regional exposure is evenly spread across our key markets (Germany 27 %, Rest of Western Europe 28 % and North America 30 %) and has been stable year on year. Our largest industry exposure is to Banks and Insurances, which constitutes 33 % of overall gross exposures (i.e., before consideration of collateral) and was € 359 billion, a decline of € 17.3 billion from December 31, 2011, when it represented 34 % of gross exposures. These exposures are predominantly with highly rated counterparties and generally are collateralized. On a counterparty level we remained well diversified with our top ten exposures representing 11 % on a gross basis, all with highly rated investment-grade counterparties and including structured trades with high risk mitigation.

The economic capital usage for credit risk totaled € 12.6 billion at year-end 2012. The decrease of € 238 million, or 2 %, compared to € 12.8 billion at year-end 2011, mainly reflected overall exposure reduction.

Provision for credit losses decreased in 2012 by € 118 million to € 1.7 billion. This decrease excludes the effect of Postbank releases related to loan loss allowances recorded prior to consolidation of € 157 million and € 402 million in 2012 and 2011 respectively. The impact of such releases is reported as interest income on group level. Adjusted for this accounting effect, our provision for credit losses in 2012 would have been € 1.6 billion reflecting an increase of € 126 million compared to the prior year.

Our overall loan book as of December 31, 2012 decreased to € 402 billion versus € 417 billion as of December 31, 2011. Reductions were mainly driven by focused de-risking in the newly established NCOU. Our single largest industry category loan book is Household mortgages equating to € 142 billion as of December 31, 2012, with € 112 billion of these in the stable German market. Our corporate loan book, which accounts for 55 % of the total loan book, is composed 66 % of loans with an investment-grade rating as of December 31, 2012, increased from 64 % as of December 31, 2011 driven by a heavier weighting of reductions to non investment-grade counterparties.

Market Risk Summary

Nontrading market risk economic capital usage totaled € 8.5 billion as of December 31, 2012, which is € 1.2 billion, or 17 %, above our economic capital usage at year-end 2011. The increase was largely driven by the extension of nontrading market risk economic capital coverage to include material credit spread risks from the banking book.

The economic capital usage for trading market risk was € 4.7 billion at year-end 2012, and decreased by € 34 million, or 1 % compared to prior year end. The materially unchanged economic capital usage for trading market risk reflected offsetting effects of methodology refinements and exposure reductions.

The average value-at-risk of our trading units was € 57.1 million in 2012, compared to € 72.7 million per 2011. The decrease was driven primarily by a broad risk reduction across most asset classes, but also partly due to the benefit of lower levels of market data volatility.

Operational Risk Summary

The economic capital usage for operational risk increased by € 172 million, or 3.5 %, to € 5 billion as of December 31, 2012. The increase is primarily due to higher industry operational risk loss experience and the integration of BHF-BANK into our Advanced Measurement Approach (AMA) model in the first quarter 2012. Our regulatory capital continues to include the safety margin applied in our AMA model, which was implemented in 2011 to cover unforeseen legal risks from the current financial crisis.

Internal operational risk losses increased in 2012 compared to prior year driven by increased litigation provisions relating to events over the past decade.

Liquidity Risk Summary

Liquidity reserves as of December 31, 2012 were € 232.2 billion (now including € 25.9 billion from Postbank following integration). Excluding Postbank (which was not included as of December 31, 2011), our liquidity reserves decreased by € 16.4 billion over the year. The primary driver of this was a reduction of € 40 billion in our discretionary wholesale funding during the year, offset by growth in more stable funding
sources. Overall our liquidity risk profile remains within our liquidity risk appetite, as confirmed by all year-end stress tests resulting in a net liquidity surplus.
— Our 2012 issuance activities amounted to € 17.9 billion. This compares to our full year plan of € 15-20 billion.
— 62 % of our overall funding came from the most stable funding sources, comprising capital markets and equity, retail, and transaction banking liabilities.

Capital Management Summary
— The Common Equity Tier 1 capital ratio in accordance with Basel 2.5 amounted to 11.4 % based on Common Equity Tier 1 capital of € 38.0 billion and risk-weighted assets of € 334 billion. This compares to a Common Equity Tier 1 capital ratio of 9.5 % at year-end 2011 based on Common Equity Tier 1 capital of € 36.3 billion and risk-weighted assets of € 381.2 billion.
— Risk-weighted assets decreased in 2012 by € 47.6 billion to € 334 billion at the end of 2012, reflecting de-risking activities as well as model and process improvements.
— The newly established NCOU division has contributed to significant de-risking. The overall de-risking achieved by the NCOU in 2012 resulted in a reduction in total assets adjusted of € 35 billion (27 %) from € 130 billion as of December 31, 2011 to € 95 billion as of December 31, 2012.
— The internal capital adequacy ratio, signifying whether the total capital supply is sufficient to cover the capital demand determined by our risk positions, increased to 160 % as of December 31, 2012, compared to 159 % as of December 31, 2011.
— As at December 31, 2012, our pro forma, fully loaded Basel 3 Common Equity Tier 1 capital ratio was 7.8 %, comprising € 31 billion Common Equity Tier 1 capital and € 401 billion risk-weighted assets.

Balance Sheet Management Summary
— As of December 31, 2012, our adjusted leverage ratio was 21, unchanged from the level at the end of 2011 and below our target leverage ratio of 25. Our leverage ratio calculated as the ratio of total assets under IFRS to total equity under IFRS was 37 as of December 31, 2012, a slight decrease compared to end of 2011.

Risk Management Principles
We actively take risks in connection with our business and as such the following principles underpin risk management within our group:
— Risk is taken within a defined risk appetite;
— Every risk taken needs to be approved within the risk management framework;
— Risk taken needs to be adequately compensated; and
— Risk should be continuously monitored and managed.

A strong risk culture helps reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout our organization as well as the effective management of our risk, capital and reputational profile. The management of risk is the responsibility of all employees. We expect employees to exhibit behaviors that maintain a strong risk culture and assess them for this as part of the overall performance and compensation process. Strong risk culture behaviors include:
— Being fully responsible for our risks;
— Being rigorous, forward looking and comprehensive in the assessment of risk;
— Inviting, providing and respecting challenges;
— Trouble shooting collectively; and
— Placing Deutsche Bank and its reputation at the heart of all decisions.
To reinforce these behaviors we have launched a number of group-wide activities, including mandatory trainings on risk awareness. We also have regular communications, including from our Board members, on the importance of a strong Risk Culture.

**Risk Management Framework**

The diversity of our business model requires us to identify, measure, aggregate and manage our risks effectively, and to allocate our capital among our businesses appropriately. We operate as an integrated group through our divisions, business units and infrastructure functions. Risk and capital are managed via a framework of principles, organizational structures and measurement and monitoring processes that are closely aligned with the activities of the divisions and business units:

— Core risk management responsibilities are embedded in the Management Board and appropriately delegated to senior risk management committees responsible for execution and oversight. The Supervisory Board regularly monitors the risk and capital profile.
— We operate a three-line of defense risk management model whereby front office functions, risk management oversight and assurance roles are played by functions independent of one another.
— Risk strategy is approved by the Management Board on an annual basis and is defined based on the Group Strategic and Capital Plan and Risk Appetite in order to ensure alignment of risk, capital and performance targets.
— Cross-risk analysis reviews are conducted across the group to validate that sound risk management practices and a holistic awareness of risk exist.
— All major risk classes are managed in a coordinated manner via risk management processes, including: credit risk, market risk, operational risk, liquidity risk, business risk, reputational risk and risk concentrations.
— Appropriate monitoring, stress testing tools and escalation processes are in place for key capital and liquidity thresholds and metrics. Where applicable modeling and measurement approaches for quantifying risk and capital demand are implemented across the major risk classes.
— Effective systems, processes and policies are a critical component of our risk management capability.

**Risk Governance**

From a supervisory perspective, our operations throughout the world are regulated and supervised by relevant authorities in each of the jurisdictions in which we conduct business. Such regulation focuses on licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organisation and reporting requirements. The BaFin and the Deutsche Bundesbank (the German central bank) act in cooperation as our primary supervisors to ensure our compliance with the German Banking Act and other applicable laws and regulations. The German Banking Act and the rules and regulations thereunder implement, in addition, certain recommendations of the Basel Committee on Banking Supervision, as well as certain European Union directives relating to banks. German banking regulators assess our capacity to assume risk in several ways, which are described in more detail in section “Regulatory Capital”.

From an internal governance perspective, we have several layers of robust management to provide strong and cohesive risk governance:

— The Supervisory Board monitors our risk and capital profile regularly via its designated committee, the Risk Committee of the Supervisory Board. The chair of the Risk Committee reports on items discussed during the Risk Committee’s meetings to the Supervisory Board.
— The Risk Committee of the Supervisory Board meets regularly. At these meetings, the Management Board reports to the Risk Committee on credit, market, country, liquidity, operational, strategic, regulatory as well as litigation and reputational risks. It also reports on loans requiring a Supervisory Board resolution pursuant to law or the Articles of Association, questions of capital resources and matters of special importance due to the risks they entail. The Risk Committee deliberates with the Management Board on issues of the aggregate risk disposition and the risk strategy.
Our Management Board provides overall risk and capital management supervision for the consolidated Group and is exclusively responsible for day-to-day management of the company with the objective of creating sustainable value in the interest of our shareholders, employees and other stakeholders. The Management Board is responsible for defining and implementing comprehensive and aligned business and risk strategies, as well as ensuring well-defined risk management functions and operating processes are in place to ensure that our overall performance is aligned to our business and risk strategy. The Management Board has delegated certain functions and responsibilities to relevant senior governance committees to support the fulfillment of these responsibilities, in particular to the Capital and Risk Committee (“CaR”) and Risk Executive Committee (“Risk ExCo”) whose roles are described in more detail below. For further information on how we ensure that our overall performance is aligned to our risk strategy please refer to section below “Risk Strategy and Appetite”

The following functional committees are central to the management of Risk in Deutsche Bank:

- The CaR oversees and controls integrated planning and monitoring of our risk profile and capital capacity, providing an alignment of risk appetite, capital requirements and funding/liquidity needs with Group, divisional and sub-divisional business strategies. It provides a platform to discuss and agree strategic issues impacting capital, funding and liquidity among Risk Management, Finance and the business divisions. The CaR initiates appropriate actions and/or makes recommendations to the Management Board. It is also responsible for monitoring our risk profile against our risk appetite on a regular basis and ensuring appropriate escalation or actions are taken. The CaR monitors the performance of our risk profile against early
warning indicators and recovery triggers, and provides recommendations to the Management Board to invoke defined process and/or actions under the recovery governance framework if required.

— Our Risk ExCo, as the most senior functional committee of our risk management, identifies controls and manages all risks including risk concentrations at group level, and is a center of expertise concerning all risk related topics of the business divisions. It is responsible for risk policy, the organization and governance of risk management and ensures and oversees the execution of risk and capital management including identification, analysis and risk mitigation, within the scope of the risk and capital strategy (Risk and Capital Demand Plan) approved by the Management Board. The Risk ExCo is supported by sub-committees that are responsible for dedicated areas of risk management, including several policy committees, the Cross Risk Review Committee (“CRRC”) and the Group Reputational Risk Committee (“GRRC”).

— The CRRC supports the Risk ExCo and the CaR with particular emphasis on the management of group-wide risk patterns. The CRRC, under a delegation of authority from the CaR has responsibility for the day-to-day oversight and control of our Internal Capital Adequacy Assessment Process (“ICAAP”). The CRRC also oversees the inventory of stress tests used for managing our risk appetite, reviews the results and proposes management action, if required. It monitors the effectiveness of the stress test process and drives continuous improvement of our stress testing framework. It is supported by a dedicated Stress Testing Oversight Committee which has the responsibility for the definition of the group-wide stress test scenarios, ensuring common standards and consistent scenarios across risk types, and reviewing the group-wide stress test results.

Recovery management governance is part of our overall risk management framework to support that we can proactively identify and respond to severe stress or the threat of a severe stress. The key elements of the recovery management planning and governance include:

— Clear roles and responsibilities which include Management Board oversight;
— A dedicated set of early warning indicators and recovery triggers to monitor potential risks and stimulate management action;
— An enhanced regime of severe stress tests and defined strategic recovery measures to enable proactive management of our risk profile; and
— A dedicated sub-committee of the CaR to ensure ongoing monitoring and process readiness.

Multiple members of the CaR are also members of the Risk ExCo which facilitates a constant and comprehensive information flow between the two committees.

Following changes to the structure and composition of our Management Board in 2012, the coverage of risks has been more widely distributed at the level of the Management Board, as the following risk management units, which previously had reported directly to the Chief Risk Officer, now report to other Management Board members: Compliance, Corporate Security & Business Continuity, Government & Regulatory Affairs, Legal and Treasury. Our Chief Risk Officer (“CRO”), who is a member of the Management Board, remains responsible for the identification, assessment and reporting of risks arising within operations across all business and all risk types as well as for the direct management responsibility of the following Risk management divisions: Credit Risk Management, Market Risk Management, Operational Risk Management and Strategic Risk and Enterprise-wide Risk Management. Our governance structure and mechanisms ensure that group wide oversight of risk continues unchanged.

With respect to the day-to-day management and oversight of risk, there are dedicated Risk and Treasury units established with the mandate to:

— Ensure that the business conducted within each division is consistent with the risk appetite that the CaR has set within a framework established by the Management Board;
— Formulate and implement risk and capital management policies, procedures and methodologies that are appropriate to the businesses within each division;
— Approve credit, market and liquidity risk limits;
— Conduct periodic portfolio reviews to ensure that the portfolio of risks is within acceptable parameters; and
— Develop and implement risk and capital management infrastructures and systems that are appropriate for each division.

The Deputy Chief Risk Officer (“DCRO”) leads a Strategic Risk and Enterprise-wide Risk Management function whose mandate is to provide an increased focus on holistic risk management and comprehensive, cross-risk oversight to further enhance our risk portfolio steering. The objectives of the Strategic Risk and Enterprise-wide Risk Management unit are to:

— Drive key strategic cross-risk initiatives and establish greater cohesion between defining portfolio strategy and governing execution, including regulatory adherence;
— Provide a strategic and forward-looking perspective on the key risk issues for discussion at senior levels within the bank (risk appetite, stress testing framework);
— Strengthen risk culture in the bank; and
— Foster the implementation of consistent risk management standards.

Our Finance and Audit departments operate independently of both, our business divisions and of our Risk function. The role of the Finance department is to help quantify and verify the risk that we assume and ensure the quality and integrity of our risk-related data. Our Audit department performs risk-based reviews of the design and operating effectiveness of our system of internal controls.

Based on the domination agreement, we have introduced further changes to the governance of the Risk functions across Deutsche Bank and Postbank. The main changes were:

— Functional reporting lines from the Postbank Risk Management to Deutsche Bank Risk Management have been established. These changes did not affect the disciplinary reporting lines within the Postbank CRO organization;
— Postbank’s key risk committees were enlarged with voting members from Deutsche Bank from the respective risk functions and vice versa; and
— Key group risk policies have been implemented at Postbank.

The key risk management committees of Postbank, in all of which Postbank’s Chief Risk Officer as well as senior risk managers of Deutsche Bank are voting members, are:

— The Bank Risk Committee, which advises Postbank’s Management Board with respect to the determination of overall risk appetite and risk 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; and
— The Operational Risk Committee which defines the appropriate risk framework as well as the capital allocation for the individual business areas.

Risk Reporting and Measurement Systems

We have centralized risk data and systems supporting regulatory reporting and external disclosures, as well as internal management reporting for credit, market, operational and liquidity risk. The risk infrastructure incorporates the relevant legal entities and business divisions and provides the basis for tailor-made reporting on risk positions, capital adequacy and limit utilization to the relevant functions on a regular and ad-hoc basis. Established units within Finance and Risk assume responsibility for measurement, analysis and reporting of risk while ensuring sufficient quality and integrity of risk-related data.

The main reports on risk and capital management that are used to provide the central governance bodies with information relating to Group Risk Exposures are the following:
— Our Risk and Capital Profile is presented monthly to the CaR and the Management Board and is subse-
quently submitted to the Risk Committee of the Supervisory Board for information. It comprises an over-
view of the current risk, capital and liquidity status of the Group, also incorporating information on
regulatory capital and economic capital adequacy.
— An overview of our capital, liquidity and funding is presented to the CaR by the Group Treasurer every
month. It comprises information on key metrics including Core Tier 1 capital (under Basel 3 Common Equi-
ty Tier 1 capital) and the leverage ratio, as well as an overview of our current funding and liquidity status,
the liquidity stress test results and contingency measures.
— Group-wide macro stress tests are performed quarterly and reported to the CaR. These are supplemented,
as required, by ad-hoc stress tests at Group level.

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 man-
agement at Group level.

Risk Strategy and Appetite

Strategic and Capital Planning Process

We conduct an annual strategic planning process which underpins the development of our future strategic
direction as a group and for our business areas/units. This process consists of a number of different phases.

In a first phase, our risk appetite and key targets for profit and loss (including revenues and costs), capital
supply, and capital demand and the key business areas for the three coming years are discussed in the Group
Executive Committee and approved by the Management Board, based on our global macro-economic outlook
and the expected regulatory framework.

In a second phase, the top-down objectives are substantiated from the bottom-up by detailed business unit
plans, which for the first year consist of a month by month operative plan; years two and three are annual plans
in the appropriate granularity. The proposed bottom-up plans are reviewed and challenged by Finance (Group
Strategic and Capital Planning) and Risk (Strategic Risk and Enterprise-wide Risk Management) and are dis-
cussed individually with business heads. Thereby, the specifics of the business are considered and concrete
targets decided in line with our strategic direction.

The Strategic and Capital Plan is presented to the Group Executive Committee and the Management Board for
discussion and approval before the end of the year. At the beginning of the next year, the final plan is present-
ed to the Supervisory Board.

A dedicated Risk and Capital Demand Plan is an integral part of the Strategic and Capital plan. It is designed
to support our vision of being a leading client-centric global universal bank and aims to ensure:

— balanced risk adjusted performance across business areas and units;
— high risk management standards with focus on risk concentrations;
— compliance with regulatory requirements;
— strong capital and liquidity position; and
— stable funding and liquidity strategy allowing for the business planning within the liquidity risk tolerance and
regulatory requirements.

The Strategic and Capital Planning process allows us to:

— set earnings and key risk and capital adequacy targets considering the bank’s strategic focus and busi-
ness plans;
— assess our risk-bearing capacity with regard to internal and external requirements (i.e., regulatory and economic capital); and
— apply an appropriate stress test to assess the impact on capital demand, capital supply and liquidity.

The specific limits are derived from the Strategic and Capital Plan to ensure alignment of risk, capital and performance targets at all levels of the organization.

The targets are monitored on an ongoing basis in appropriate management committees. Any projected shortfall from targets is discussed together with potential mitigating strategies seeking to ensure that we remain on track to achieve our targets.

In September 2012, we communicated a new strategic direction “Strategy 2015+”. With our business franchises strengthened, we aspire a strong capital position of above 10% Common Equity Tier 1 Ratio by first quarter 2015, under full application of Basel 3 rules. This goal is based on retained earnings assumptions, reflecting not only strong revenue generation in targeted growth areas but also on the delivery of our announced Operational Excellence Program to target annual cost savings of €4.5 billion by 2015, achieving a cost-income ratio of below 65% for our core businesses. Our capital ratio target is further supported by risk reduction measures, notably in our NCOU. Our ambition level for our post-tax RoE is above 15% for our core operations and 12% for the Group.

After achieving a Basel 3 pro-forma fully loaded Common Equity Tier 1 ratio of 7.8% by year-end 2012, ahead of our stated target of 7.2%, we also revised our March 31, 2013 target from above 8.0% to 8.5%, primarily driven by lower capital demand.

Note that like other banks, we are making statements in terms of Basel 3 ratios, which are non-GAAP financial measures when rules are still being finalized by legislators, and regulatory guidance on implementation is incomplete. The targets and estimates reflect our current reading of the draft legislation as well as a clear commitment to meaningful further improvements in our capital ratios.

Risk Profile

Our mix of various business activities implies diverse risk taking by our business divisions. The key risks inherent in their respective business models are best measured through the undiversified Total Economic Capital metric, which mirrors each business division’s risk profile before cross-risk effects on group level.

### Risk profile of our corporate divisions as measured by total economic capital

<table>
<thead>
<tr>
<th></th>
<th>Corporate Banking &amp; Securities</th>
<th>Global Transaction Banking</th>
<th>Asset &amp; Wealth Management</th>
<th>Private &amp; Business Clients</th>
<th>Non-Core Operations Unit</th>
<th>Consolidation &amp; Adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>in % (unless stated otherwise)</td>
<td>in € m.</td>
<td>in € m.</td>
<td>in € m.</td>
<td>in € m.</td>
<td>in € m.</td>
<td>in € m.</td>
<td>in € m.</td>
</tr>
<tr>
<td>Credit Risk</td>
<td>17</td>
<td>5</td>
<td>1</td>
<td>13</td>
<td>8</td>
<td>0</td>
<td>12,574</td>
</tr>
<tr>
<td>Market Risk</td>
<td>14</td>
<td>1</td>
<td>5</td>
<td>11</td>
<td>10</td>
<td>5</td>
<td>13,185</td>
</tr>
<tr>
<td>Operational Risk</td>
<td>7</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>-</td>
<td>5,018</td>
</tr>
<tr>
<td>Diversification Benefit</td>
<td>(5)</td>
<td>(0)</td>
<td>(1)</td>
<td>(2)</td>
<td>(6)</td>
<td>(0)</td>
<td>(4,435)</td>
</tr>
<tr>
<td>Business Risk</td>
<td>8</td>
<td>-</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,399</td>
</tr>
<tr>
<td>Total EC in € m.</td>
<td>11,788</td>
<td>1,434</td>
<td>2,016</td>
<td>6,720</td>
<td>5,452</td>
<td>1,331</td>
<td>28,741</td>
</tr>
<tr>
<td>in %</td>
<td>41</td>
<td>5</td>
<td>7</td>
<td>23</td>
<td>19</td>
<td>5</td>
<td>100</td>
</tr>
</tbody>
</table>

Corporate Banking & Securities’ (CB&S) risk profile is dominated by its trading activities, in particular market risk from position taking and credit risk primarily from derivatives exposure. Further credit risks originate from lending to corporates and financial institutions. The remainder is divided equally between operational risks and business risk, primarily from potential legal and earnings volatility risks, respectively. Global Transaction Banking (GTB) has the lowest risk (as measured by economic capital) of all our segments. GTB’s focus on trade
finance implies that the vast majority of its risk originates from credit with a small portion from market risk mainly in derivatives positions.

The main risk driver of Asset & Wealth Management’s (AWM) business are guarantees on investment funds, which we report as nontrading market risk. Otherwise AWM’s advisory and commission focused business attracts primarily operational risk.

In contrast to this, Private & Business Client’s (PBC) risk profile divides equally between credit risk from retail and SME lending and nontrading market risk from Postbank’s investment portfolio.

Risk Appetite
Risk appetite is an expression of the maximum level of risk that we are prepared to accept in order to achieve our business objectives. Our risk appetite statement translates our strategy into measurable short to medium term targets and thresholds across material risk categories and enables intra-year performance monitoring and management which aims to identify optimal growth options considering the risk involved and the allocation of available capital resources to drive sustainable performance.

The Management Board reviews and approves the risk appetite on an annual basis to ensure that it is consistent with our Group strategy, business environment and stakeholder requirements. Setting risk appetite aims to ensure that risk is proactively managed to the level desired and approved by the Management Board. Risk appetite tolerance levels are set at different trigger levels, with clearly defined escalation requirements which enable appropriate actions to be defined and implemented as required. In cases where the tolerance levels are breached, it is the responsibility of the Strategic Risk and Enterprise-wide Risk Management function to bring it to the attention of the respective risk committees, and ultimately to the Chief Risk Officer and the Management Board.

Amendments to the risk and capital strategy must be approved by the Chief Risk Officer or the full Management Board, depending on significance.

Risk Inventory
We face a variety of risks as a result of our business activities, the most significant of which are described below. Credit risk, market risk and operational risk attract regulatory capital. As part of our internal capital adequacy assessment process, we calculate the amount of economic capital that is necessary to cover all material risks generated from our business activities, other than of liquidity risk.

Credit Risk
Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower or obligor (which we refer to collectively as “counterparties”) exist, including those claims that we plan to distribute (see below in the more detailed section Credit Risk). These transactions are typically part of our traditional nontrading lending activities (such as loans and contingent liabilities), or our direct trading activity with clients (such as OTC derivatives, FX forwards and Forward Rate Agreements). We distinguish between three kinds of credit 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;
— Settlement risk is the risk that the settlement or clearance of a transaction may fail. Settlement risk arises whenever the exchange of cash, securities and/or other assets is not simultaneous leaving us exposed to a potential loss should the counterparty default;
— 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 counter-
parties in that jurisdiction including: a material deterioration of economic conditions, political and social upheaval, nationalisation and expropriation of assets, government repudiation of indebtedness, or disruptive currency depreciation or devaluation. Country risk also includes transfer risk which arises when debtors are unable to meet their obligations owing to an inability to transfer assets to non-residents due to direct sovereign intervention.

**Market Risk**

Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices, foreign exchange rates and commodity prices), the correlations among them and their levels of volatility. We differentiate between three different types of market risk:

- Trading market risk arises primarily through the market-making activities of the Corporate Banking & Securities division (CB&S). This involves taking positions in debt, equity, foreign exchange, other securities and commodities as well as in equivalent derivatives.
- Trading default risk arises from defaults and rating migrations relating to trading instruments.
- Nontrading market risk arises from market movements, primarily outside the activities of our trading units, in our banking book and from off-balance sheet items. This includes interest rate risk, credit spread risk, investment risk and foreign exchange risk as well as market risk arising from our pension schemes, guaranteed funds and equity compensation. Nontrading market risk also includes risk from the modeling of client deposits as well as savings and loan products.

**Operational Risk**

Operational risk is the potential for failure (including the legal component) in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences and customer relationships. Operational risk excludes business and reputational risk.

**Liquidity Risk**

Liquidity risk is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs.

**Business Risk**

Business risk describes the risk we assume due to potential changes in general business conditions, such as our market environment, client behavior and technological progress. This can affect our results if we fail to adjust quickly to these changing conditions. In 2012, we introduced an enhanced economic capital model to improve coverage of strategic risk being a subcategory of business risk.

In addition to the above risks, we face a number of other types of risks, such as reputational risk, insurance-specific risk and concentration risk. They are substantially related to one or more of the above risk types.

**Reputational Risk**

Within our risk management processes, we define reputational risk as the risk that publicity concerning a transaction, counterparty or business practice involving a client will negatively impact the public’s trust in our organization.

Our reputational risk is governed by the Reputational Risk Management Program (RRM Program). The RRM Program was established to provide consistent standards for the identification, escalation and resolution of reputational risk issues that arise from transactions with clients or through different business activities. Primary responsibility for the identification, escalation and resolution of reputational risk issues resides with the business divisions. Each employee is under an obligation, within the scope of his/her activities, to analyse and assess any imminent or intended transaction in terms of possible risk factors in order to minimise reputational risks. If a potential reputational risk is identified, it must be referred for further consideration at a sufficiently senior level within that respective business division. If issues remain, they should then be escalated for discus-
sion among appropriate senior members of the relevant Business and Control Groups. Reputational risk issues not addressed to satisfactory conclusion through such informal discussions must then be escalated for further review and final determination via the established reputational risk escalation process.

As a subcommittee of the Risk ExCo, the Group Reputational Risk Committee (“GRRC”) provides review and final determinations on all reputational risk issues and new client adoptions, where escalation of such issues is deemed necessary by senior Business and Regional Management, or required under the Group policies and procedures.

**Insurance Specific Risk**

Our exposure to insurance risk relates to Abbey Life Assurance Company Limited and our defined benefit pension obligations. There is also some insurance-related risk within the Pensions & Insurance Risk Markets business. In our risk management framework, we consider insurance-related risks primarily as nontrading market risks. We monitor the underlying assumptions in the calculation of these risks regularly and seek risk mitigating measures such as reinsurances, if we deem this appropriate. We are primarily exposed to the following insurance-related risks.

— Longevity risk: the risk of faster or slower than expected improvements in life expectancy on immediate and deferred annuity products.
— Mortality and morbidity risks: the risks of a higher or lower than expected number of death or disability claims on assurance products and of an occurrence of one or more large claims.
— Expenses risk: the risk that policies cost more or less to administer than expected.
— Persistency risk: the risk of a higher or lower than expected percentage of lapsed policies.

To the extent that actual experience is less favorable than the underlying assumptions, or it is necessary to increase provisions due to more onerous assumptions, the amount of capital required in the insurance entities may increase.

**Risk Concentration**

Risk concentrations refer to a loss potential resulting from an unbalanced distribution of dependencies on specific risk drivers and can occur within specific risk types (i.e., intra-risk concentrations) as well as across different risk types (inter-risk concentrations). They are encountered within and across counterparties, businesses, regions/countries, legal entities, industries and products, impacting the aforementioned risks. The management of risk concentrations is integrated in the management of the individual risk types and monitored on a regular basis. The key objective of managing risk concentrations is to avoid any undue concentrations in our portfolio, which we seek to achieve through a quantitative and qualitative approach, as follows:

— Intra-risk concentrations are assessed and monitored by the individual risk disciplines (Credit, Market, Operational Risk Management and others). This is supported by limit setting on different levels according to risk type.
— Inter-risk concentrations are managed by 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 is the Cross Risk Review Committee, which is a subcommittee of the Capital and Risk Committee (CaR) and the Risk Executive Committee (Risk ExCo).
Risk Management Tools

We use a broad range of quantitative and qualitative methodologies for assessing and managing risks. As a matter of policy, we continually assess the appropriateness and the reliability of our quantitative tools and metrics in light of our changing risk environment. Some of these tools are common to a number of risk categories, while others are tailored to the particular features of specific risk categories. The advanced internal tools and metrics we currently use to measure, manage and report our risks are:

— **RWA equivalent.** This is defined as total risk-weighted assets ("RWA") plus a theoretical amount for specific allocated Common Equity Tier 1 capital deduction items if these were converted into RWA. RWA form the key factor in determining the bank’s regulatory Capital Adequacy as reflected in the Common Equity Tier 1 capital ratio. RWA equivalents are used to set targets for the growth of our businesses and monitored within our management reporting systems. As a general rule, RWA are calculated in accordance with the currently valid “Basel 2.5” European (CRD) and German legislation (SolvV). However, we also perform additional RWA equivalent calculations under pro-forma Basel 3 rules to support for use within our forward looking risk and capital planning processes.

— **Expected loss.** We use expected loss as a measure of our credit and operational risk. Expected loss is a measurement of the loss we can expect induced by defaults within a one-year period from these risks as of the respective reporting date, based on our historical loss experience. When calculating expected loss for credit risk, we take into account credit risk ratings, collateral, maturities and statistical averaging procedures to reflect the risk characteristics of our different types of exposures and facilities. All parameter assumptions are based on statistical averages of up to nine years based on our internal default and loss history as well as external benchmarks. We use expected loss as a tool of our risk management process and as part of our management reporting systems. We also consider the applicable results of the expected loss calculations as a component of our collectively assessed allowance for credit losses included in our financial statements. For operational risk we determine the expected loss from statistical averages of our internal loss history, recent risk trends as well as forward looking estimates.

— **Return on risk-weighted assets ("RoRWA").** In times of regulatory capital constraints, RoRWA has become an important metric to assess our client relationships’ profitability, in particular for credit risk. RoRWA is currently the primary performance measure and as such attracts more attention than the previously used RARoC profitability measure based on economic capital.

— **Value-at-risk.** We use the value-at-risk approach to derive quantitative measures for our trading book market risks under normal market conditions. Our value-at-risk figures play a role in both internal and external (regulatory) reporting. For a given portfolio, value-at-risk measures the potential future loss (in terms of market value) that, under normal market conditions, is not expected to be exceeded with a defined confidence level in a defined period. The value-at-risk for a total portfolio represents a measure of our diversified market risk (aggregated, using pre-determined correlations) in that portfolio.

— **Economic capital.** Economic capital measures the amount of capital we need to absorb very severe unexpected losses arising from our exposures. “Very severe” in this context means that economic capital is set at a level to cover with a probability of 99.98% the aggregated unexpected losses within one year. We calculate economic capital for the default, transfer and settlement risk elements of credit risk, for market risk including trading default risk, for operational risk and for business risk.

— **Stress testing.** Credit, market and operational risk as well as liquidity risk are subject to a program of regular stress tests. The stress testing framework at Group level comprises regular group-wide stress tests based on a series of benchmark and more severe macroeconomic global downturn scenarios (provided by dbResearch) consistently applied across all risk types, annual reverse and capital plan relevant stress test as well as ad-hoc scenarios. The hot spots of the downturn scenarios are changing over time according to the changes in economic and political environment around the globe. Prior to the assessment of the stress impact the scenarios are discussed and approved by the appropriate governance committees. In addition, since 2012, the stress program feeds into our Living Wills recovery planning project by assessing the stress impact on specifically defined recovery triggers for a range of near-default scenarios before and after the application of recovery measures. In detail, we assess a suite of recovery triggers under stress
(Common Equity Tier 1 (“CET1”) capital ratio, Internal Capital Adequacy (“ICA”) ratio, Net Liquidity Position (“NLP”) within the regularly performed benchmark and more severe group-wide stress tests and compare them to the Red-Amber-Green (“RAG”) levels as defined in our risk appetite. The respective RAG levels in normal, warning, crisis situation are defined for CET1 capital ratio [>6.5 %, 6.5 % … 5 %, <5 %], for ICA [>135 %, 135 % … 120 %, <120 %] and for NLP [> € 5 bn, € 5 bn … € 0 bn, < € 0 bn]. For all of the above stress tests, we were able to return to ‘green’ RAG levels for all recovery triggers after the application of recovery measures.

— We also supplement our risk type specific analysis of credit, market, operational and liquidity risk with stress testing. For credit risk management purposes, we perform stress tests to assess the impact of changes in general economic conditions or specific parameters on our credit exposures or parts thereof as well as the impact on the creditworthiness of our portfolio. For market risk management purposes, we perform stress tests because value-at-risk calculations are based on relatively recent historical data, only purport to estimate risk up to a defined confidence level and assume good asset liquidity. Therefore, they only reflect possible losses under relatively normal market conditions. Stress tests help us determine the effects of potentially extreme market developments on the value of our market risk sensitive exposures, both on our highly liquid and less liquid trading positions as well as our investments. The correlations between market risk factors used in our current stress tests are estimated from historic volatile market conditions and proved to be consistent with those observed during recent periods of market stress. We use stress testing to determine the amount of economic capital we need to allocate to cover our market risk exposure under the scenarios of extreme market conditions we select for our simulations. For operational risk management purposes, we perform stress tests on our economic capital model to assess its sensitivity to changes in key model components, which include external losses. For liquidity risk management purposes, we perform stress tests and scenario analysis to evaluate the impact of sudden stress events on our liquidity position.

Credit Risk

We measure and manage our credit risk using the following philosophy and principles:

— Our credit risk management function is independent from our business divisions and in each of our divisions credit decision standards, processes and principles are consistently applied.

— A key principle of credit risk management is client credit due diligence. Prudent client selection is achieved in collaboration with our business division counterparts who stand as a first line of defence.

— We actively aim to prevent undue concentration and long tail-risks (large unexpected losses) by ensuring a diversified credit portfolio. Client, industry, country and product-specific concentrations are actively assessed and managed against our risk appetite.

— We maintain conservative underwriting standards and aim to avoid large directional credit risk on a counterparty and portfolio level. In this regard we are cautious in assuming 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 extension of credit or material change to a 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 on a global basis that applies across our consolidated Group, in line with regulatory requirements of the German Banking Act (Kreditwesengesetz).

— 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 (e.g., 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 and covering workout clients. The credit coverage for assets transferred to the NCOU utilizes the expertise of our credit organization.

Our credit lending activities are governed by our Principles for Managing Credit Risk. These principles define our general risk philosophy for credit risk and our methods to actively manage this risk. The principles define key organizational requirements, roles and responsibilities as well as process principles for credit risk management and are applicable to all lending activities undertaken by us.

Credit Risk Ratings
A basic and key element of the credit approval process is a detailed risk assessment of each credit-relevant counterparty. When rating a counterparty we apply in-house assessment methodologies, scorecards and for non-homogeneous portfolios our 26-grade rating scale for evaluating the credit-worthiness of our counterparties. The majority of our rating methodologies are authorized for use within the advanced internal rating based approach under applicable Basel rules. Our rating scale enables us to compare our internal ratings with common market practice and ensures comparability between different sub-portfolios of our institution. Several default ratings therein enable us to incorporate the potential recovery rate of unsecured defaulted counterparty exposures. We generally rate our counterparties individually, though certain portfolios of purchased or securitized receivables are rated on a pool basis. Ratings are required to be kept up-to-date and documented.

In our retail business, creditworthiness checks and counterparty ratings of the homogenous portfolio are derived by utilizing an automated decision engine. The decision engine incorporates quantitative aspects (e.g., financial figures), behavioral aspects, credit bureau information (such as SCHUFA in Germany) and general customer data. These input factors are used by the decision engine to determine the creditworthiness of the borrower and, after consideration of collateral, the expected loss as well as the further course of action required to process the ultimate credit decision. The established rating procedures we have implemented in our retail business are based on multivariate statistical methods and are used to support our individual credit decisions for this portfolio as well as managing the overall retail portfolio.

The algorithms of the rating procedures for all counterparties are recalibrated frequently on the basis of the default history as well as other external and internal factors and expert judgments.

Postbank makes use of internal rating systems authorized for use within the foundation internal rating based approach under Basel 2. All internal ratings and scorings are based on a uniform master scale, which assigns each rating or scoring result to the default probability determined for that class. Risk governance is provided by a joint risk committee structure with members from both Postbank and Deutsche Bank.

Rating Governance
All of our rating methodologies, excluding Postbank, have to be approved by the Group Credit Policy Committee ("GCPC"), a sub-committee of the Risk Executive Committee, before the methodologies are used for credit decisions and capital calculation for the first time or before they are significantly changed. Regulatory approval may be required in addition. The results of the regular validation processes as stipulated by internal policies have to be brought to the attention of the GCPC, even if the validation results do not lead to a change. The validation plan for rating methodologies is presented to GCPC at the beginning of the calendar year and a status update is given on a quarterly basis.

For Postbank, responsibility for implementation and monitoring of internal rating systems effectiveness rests with Postbank’s Risk Analytics unit and Postbank’s validation committee, chaired by Postbank’s Chief Credit Risk Officer. All rating systems are subject to Postbank’s Management Board approval. Effectiveness of rating systems and rating results are reported to the Postbank Management Board on a regular basis. Via a cross committee membership of Deutsche Bank senior managers join in Postbank committees and vice versa, a joint governance is ensured.
Credit Risk Measures
The key credit risk measures we apply for managing our credit portfolio, including in transaction approval and the setting of risk appetite, are internal limits and credit exposure 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 exposure are both measured on a gross and net basis where net is derived by deducting hedges and certain collateral from respective gross figures. For derivatives, we look at current market values and the potential future exposure over the lifetime of a transaction. We generally also take into consideration the risk-return characteristics of individual transactions and portfolios.

Credit Approval and Authority
Credit limits are established by the Credit Risk Management function via the execution of assigned credit authorities. Credit approvals are documented by the signing of the credit report by the respective credit authority holders and retained for future reference.

Credit authority is generally assigned to individuals as personal credit authority according to the individual’s professional qualification and experience. All assigned credit authorities are reviewed on a periodic basis to ensure that they are adequate to the individual performance of the authority holder. The results of the review are presented to the Group Credit Policy Committee.

Where an individual’s personal authority is insufficient to establish required credit limits, the transaction is referred to a higher credit authority holder or where necessary to an appropriate credit committee such as the CIB Underwriting Committee. Where personal and committee authorities are insufficient to establish appropriate limits the case is referred to the Management Board for approval.

Credit Risk Mitigation
In addition to determining counterparty credit quality and our risk appetite, we also use various credit risk mitigation techniques to optimize credit exposure and reduce potential credit losses. Credit risk mitigants, described more fully below, are applied in the following forms:

— Comprehensive and enforceable credit documentation with adequate terms and conditions.
— Collateral held as security to reduce losses by increasing the recovery of obligations.
— Risk transfers, which shift the probability of default risk of an obligor to a third party including hedging executed by our Credit Portfolio Strategies Group.
— Netting and collateral arrangements which reduce the credit exposure from derivatives and repo- and repo-style transactions.

Collateral Held as Security
We regularly agree on collateral to be received from or to be provided to customers in contracts that are subject to credit risk. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it generally does not replace the necessity of high quality underwriting standards.

We segregate collateral received into the following two types:

— Financial and other collateral, which enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the borrower is unable or unwilling to fulfil its primary obligations. Cash collateral, securities (equity, bonds), collateral assignments of other claims or inventory, equipment (e.g., plant, machinery and aircraft) and real estate typically fall into this category.
— Guarantee collateral, which complements the borrower’s ability to fulfil its obligation under the legal contract and as such is provided by third parties. Letters of credit, insurance contracts, export credit insurance, guarantees and risk participations typically fall into this category.

Our processes seek to ensure that the collateral we accept for risk mitigation purposes is high quality. This includes seeking to have in place legally effective and enforceable documentation for realizable and measurable collateral assets which are frequently evaluated by dedicated teams. The assessment of the suitability of collateral for a specific transaction is part of the credit decision and must be accounted for in a conservative way, including collateral haircuts that are applied. We have collateral type specific haircuts in place which are regularly reviewed and approved. In this regard, we strive to avoid “wrong-way” risk characteristics where the borrower’s counterparty risk is positively correlated with the risk of deterioration in the collateral value. For guarantee collateral the analysis of the guarantor’s creditworthiness is aligned to the credit assessment process for borrowers.

**Risk Transfers**

Risk transfers to third parties form a key part of our overall risk management process and are executed in various forms, including outright sales, single name and portfolio hedging, and securitizations. Risk transfers are conducted by the respective business units and by our Credit Portfolio Strategies Group (CPSG), in accordance with specifically approved mandates.

CPSG focuses on managing the residual credit risk of loans and lending-related commitments of the international investment-grade portfolio; the leveraged portfolio and the medium-sized German companies’ portfolio within our CB&S Corporate Division.

Acting as a central pricing reference, CPSG provides the respective CB&S 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 actively by utilizing techniques including loan sales, securitization via collateralized loan obligations, default insurance coverage and single-name and portfolio credit default swaps.

**Netting and Collateral Arrangements for Derivatives**

Netting is predominantly applicable to OTC derivative transactions as outlined below. 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.

In order to reduce the credit risk resulting from OTC derivative transactions, where OTC 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 clients. A master agreement allows the 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 (“close-out netting”). For parts of the derivatives business (e.g., foreign exchange transactions) we also enter into master agreements under which we set off amounts payable on the same day in the same currency and in respect to transactions covered by such master agreements (“payment netting”), reducing our settlement risk. In our risk measurement and risk assessment processes we apply netting only to the extent we have satisfied ourselves of the legal validity and enforceability of the master agreement in all relevant jurisdictions.
Also, we enter into credit support annexes ("CSA") to master agreements in order to further reduce our derivatives-related credit risk. These annexes generally provide risk mitigation through periodic, usually daily, margining of the covered exposure. The CSAs also provide for the right to terminate the related derivative transactions upon the counterparty’s failure to honour a margin call. As with netting, when we believe the annex is enforceable, we reflect this in our exposure measurement.

Certain CSAs to master agreements provide for rating dependent triggers, where additional collateral must be pledged if a party’s rating is downgraded. We also enter into master agreements that provide for an additional termination event upon a party’s rating downgrade. These downgrading provisions in CSAs and master agreements usually apply to both parties but may seldom apply to us only. We analyze and monitor our potential contingent payment obligations resulting from a rating downgrade in our stress testing approach for liquidity risk on an ongoing basis. For an assessment of the quantitative impact of a downgrading of our credit rating please refer to table “Stress Testing Results” in the section “Liquidity Risk”.

Concentrations within Credit Risk Mitigation
Concentrations within credit risk mitigations taken may occur if a number of guarantors and credit derivative providers with similar economic characteristics are engaged in comparable activities with changes in economic or industry conditions affecting their ability to meet contractual obligations.

We use a comprehensive range of quantitative tools and metrics to monitor our credit risk mitigating activities. These also include monitoring of potential concentrations within collateral types supported by dedicated stress tests. For more qualitative and quantitative details in relation to the application of credit risk mitigation and potential concentration effects please refer to the section “Maximum Exposure to Credit Risk”.

Monitoring Credit Risk
Ongoing active monitoring and management of Deutsche Bank’s credit risk positions is an integral part of our credit risk management framework. The key monitoring focus is on quality trends and on concentrations along the dimensions of counterparty, industry, country and product-specific risks to avoid undue concentrations of credit risk. On a portfolio level, significant concentrations of credit risk could result from having material exposures to a number of counterparties with similar economic characteristics, or who are engaged in comparable activities, where these similarities may cause their ability to meet contractual obligations to be affected in the same manner by changes in economic or industry conditions.

Our portfolio management framework supports a comprehensive assessment of concentrations within our credit risk portfolio in order to keep concentrations within acceptable levels.

Counterparty Risk Management
Credit-related counterparties are principally allocated to credit officers within credit teams which are aligned to types of counterparty (such as financial institution, corporate or private individuals) or economic area (e.g., 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 problems might arise, 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 poten-
tial problems while adequate options for action are still available. This early risk detection is a tenet of our credit culture and is intended to ensure that greater attention is paid to such exposures.

Industry Risk Management

To manage industry risk, we have grouped our corporate and financial institutions counterparties into various industry sub-portfolios. For each of these sub-portfolios an “Industry Batch report” is prepared usually on an annual basis. This report highlights industry developments and risks to our credit portfolio, reviews concentration risks, analyzes the risk/reward profile of the portfolio and incorporates an economic downside stress test. Finally, this analysis is used to define the credit strategies for the portfolio in question.

The Industry Batch reports are presented to the Group Credit Policy Committee, a sub-committee of the Risk Executive Committee and are submitted afterwards to the Management Board. In accordance with an agreed schedule, a select number of Industry Batch reports are also submitted to the Risk Committee of the Supervisory Board. In addition to these Industry Batch reports, the development of the industry sub-portfolios is regularly monitored during the year and is compared to the approved sub-portfolio strategies. Regular overviews are prepared for the Group Credit Policy 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 select-ed Higher Risk Developed Markets (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 analyse the risk/reward profile of the portfolio. Based on this, credit limits and strategies are set for key countries and, where relevant, for the region as a whole. Country risk limits are approved by either our Management Board or by our Cross Risk Review Committee, a sub-committee of our Risk Executive Committee and Capital and Risk Committee, pursuant to delegated authority.

The Country Limit framework covers all major risk categories which are managed by the respective divisions in Risk:

- **Credit Risk**: Limits are established for counterparty credit risk exposures in a given country to manage the aggregate credit risk subject to country-specific economic and political events. These limits include exposures to entities incorporated locally as well as subsidiaries of foreign multinational corporations. Separate Transfer Risk Limits are established as sub-limits to these counterparty credit limits and apply to Deutsche Bank’s cross-border exposures.

- **Market Risk**: Limits are established to manage trading position risk in emerging markets and are set based on the P&L impact of potential stressed market events on those positions.

- **Treasury Risk**: Exposures of one Deutsche Bank entity to another (Funding, Capital or Margin) are subject to limits given the transfer risk inherent in these cross-border positions.

- **Gap Risk**: Limits established to manage the risk of loss due to intra-country wrong-way risk exposure.
Our country risk ratings represent a key tool in our management of country risk. They are established by the independent dbResearch function within Deutsche Bank and include:

— **Sovereign rating:** A measure of the probability of the sovereign defaulting on its foreign or local currency obligations.

— **Transfer risk rating:** A measure of the probability of a “transfer risk event”, i.e., the risk that an otherwise solvent debtor is unable to meet his obligations due to inability to obtain foreign currency or to transfer assets as a result of direct sovereign intervention.

— **Event risk rating:** A measure of the probability of major disruptions in the market risk factors relating to a country (interest rates, credit spreads, etc.). Event risks are measured as part of our event risk scenarios, as described in the section “Market Risk Monitoring” of this report.

All sovereign and transfer risk ratings are reviewed, at least annually, by the Cross Risk Review Committee, although more frequent reviews are undertaken when deemed necessary.

We charge our corporate divisions with the responsibility of managing their country risk within the approved limits. The regional units within Credit Risk Management monitor our country risk based on information provided by Risk Operations and our Finance function. The Cross Risk Review Committee also reviews data on transfer risk.

Postbank ratings are reviewed and adjusted if required by means of a rating tool on a monthly basis. Country risk limits and sovereign risk limits for all relevant countries are approved by the Postbank Management Board annually.

**Product specific Risk Management**

Complementary to our counterparty, industry and country risk approach, we focus on product specific risk concentrations and selectively set limits where required for risk management purposes. In this context a key focus is put on underwriting caps. These caps limit the combined risk for transactions where we underwrite commitments with the intention to sell down or distribute part of the risk to third parties. These commitments include the undertaking to fund bank loans and to provide bridge loans for the issuance of public bonds. The risk is that we may not be successful in the distribution of the facilities, meaning that we would have to hold more of the underlying risk for longer periods of time than originally intended. These underwriting commitments are additionally exposed to market risk in the form of widening credit spreads. We dynamically hedge this credit spread risk to be within the approved market risk limit framework.

Furthermore, 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.

**Settlement Risk Management**

Our trading activities may give rise to risk at the time of settlement of those trades. Settlement risk arises when Deutsche Bank exchanges a like value of cash or other assets with a counterparty. It is the risk of loss due to the failure of a counterparty to honour its obligations (to deliver cash or other assets) to us, after we release payment or delivery of its obligations (of cash or other assets) to the counterparty.

For many types of transactions, we mitigate settlement risk by closing the transaction through a clearing agent, which effectively acts as a stakeholder for both parties, only settling the trade once both parties have fulfilled their sides of the contractual obligation.
Where no such settlement system exists, the simultaneous commencement of the payment and the delivery parts of the transaction is common practice between trading partners (free settlement). In these cases, we may seek to mitigate our settlement risk through the execution of bilateral payment netting agreements. We also participate in industry initiatives to reduce settlement risks. Acceptance of settlement risk on free settlement trades requires approval from our credit risk personnel, either in the form of pre-approved settlement risk limits, or through transaction-specific approvals. We do not aggregate settlement risk limits with other credit exposures for credit approval purposes, but we take the aggregate exposure into account when we consider whether a given settlement risk would be acceptable.

Credit Risk Tools – Economic Capital for Credit Risk
We calculate economic capital for the default risk, country risk and settlement risk as elements of credit risk. In line with our economic capital framework, economic capital for credit risk is set at a level to absorb with a probability of 99.98% very severe aggregate unexpected losses within one year. Full integration of Postbank into our economic capital calculation was achieved at the end of 2010.

Our economic capital for credit risk is derived from the loss distribution of a portfolio via Monte Carlo Simulation of correlated rating migrations. The loss distribution is modeled in two steps. First, individual credit exposures are specified based on parameters for the probability of default, exposure at default and loss given default. In a second step, the probability of joint defaults is modeled through the introduction of economic factors, which correspond to geographic regions and industries. The simulation of portfolio losses is then performed by an internally developed model, which takes rating migration and maturity effects into account. Effects due to wrong-way derivatives risk (i.e., the credit exposure of a derivative in the default case is higher than in non default scenarios) are modeled by applying our own alpha factor when deriving the Exposure at Default for derivatives and securities financing transactions under the Basel 2 Internal Models Method (“IMM”). The alpha factor used for the risk-weighted assets calculation is floored at a level of 1.2 according to SolvV, for the internal economic capital calculation, in contrast, a floor of 1.0 applies. We allocate expected losses and economic capital derived from loss distributions down to transaction level to enable management on transaction, customer and business level.

Credit Exposures
Counterparty credit exposure arises from our traditional nontrading lending activities which include elements such as loans and contingent liabilities. Counterparty credit exposure also arises via our direct trading activity with clients in certain instruments which include OTC derivatives like FX forwards and Forward Rate Agreements. A default risk also arises from our positions in traded credit products such as bonds.

We define our credit exposure by taking into account all transactions where losses might occur due to the fact that counterparties may not fulfill their contractual payment obligations.

Maximum Exposure to Credit Risk
The maximum exposure to credit risk table shows the direct exposure before consideration of associated collateral held and other credit enhancements (netting and hedges) that do not qualify for offset in our financial statements for the periods specified. The netting credit enhancement component includes the effects of legally enforceable netting agreements as well as the offset of negative mark-to-markets from derivatives against pledged cash collateral. The collateral credit enhancement component mainly includes real estate, collateral in the form of cash as well as securities related collateral. In relation to collateral we apply internally determined haircuts and additionally cap all collateral values at the level of the respective collateralized exposure.
<table>
<thead>
<tr>
<th>Dec 31, 2012</th>
<th>Maximum exposure to credit risk(^1)</th>
<th>Netting</th>
<th>Collateral</th>
<th>Guarantees and Credit derivatives(^3)</th>
<th>Total credit enhancements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from banks</td>
<td>27,885</td>
<td>–</td>
<td>–</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Interest-earning deposits with banks</td>
<td>119,548</td>
<td>–</td>
<td>2</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>Central bank funds sold and securities purchased under resale agreements</td>
<td>36,570</td>
<td>–</td>
<td>36,341</td>
<td>–</td>
<td>36,341</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>23,947</td>
<td>–</td>
<td>23,308</td>
<td>–</td>
<td>23,308</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss(^4)</td>
<td>1,119,100</td>
<td>657,826</td>
<td>211,397</td>
<td>3,968</td>
<td>873,191</td>
</tr>
<tr>
<td>Financial assets available for sale(^5)</td>
<td>47,110</td>
<td>–</td>
<td>1,287</td>
<td>703</td>
<td>1,990</td>
</tr>
<tr>
<td>Loans(^6)</td>
<td>401,975</td>
<td>–</td>
<td>208,529</td>
<td>37,641</td>
<td>246,370</td>
</tr>
<tr>
<td>Other assets subject to credit risk</td>
<td>85,806</td>
<td>69,546</td>
<td>6,653</td>
<td>12</td>
<td>76,211</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities(^6)</td>
<td>68,361</td>
<td>–</td>
<td>7,810</td>
<td>8,444</td>
<td>16,254</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments(^6)</td>
<td>129,657</td>
<td>–</td>
<td>4,771</td>
<td>10,558</td>
<td>15,329</td>
</tr>
<tr>
<td><strong>Total credit enhancements</strong></td>
<td><strong>2,059,959</strong></td>
<td><strong>727,372</strong></td>
<td><strong>500,098</strong></td>
<td><strong>61,562</strong></td>
<td><strong>1,289,032</strong></td>
</tr>
</tbody>
</table>

\(^1\) All amounts at carrying value unless otherwise indicated.  
\(^2\) Does not include credit derivative notional sold (€ 1,274,960 million) and credit derivative notional bought protection. Interest-earning deposits with banks mainly relate to Liquidity Reserves.  
\(^3\) Credit derivatives are reflected with the notional of the underlying.  
\(^4\) Excludes equities, other equity interests and commodities.  
\(^5\) Gross loans less interest-earning deposits with banks (including unearned income before deductions of allowance for loan losses).  
\(^6\) Financial guarantees, other credit related contingent liabilities and irrevocable lending commitments (including commitments designated under the fair value option) are reflected at notional amounts.

<table>
<thead>
<tr>
<th>Dec 31, 2011</th>
<th>Maximum exposure to credit risk(^1)</th>
<th>Netting</th>
<th>Collateral</th>
<th>Guarantees and Credit derivatives(^3)</th>
<th>Total credit enhancements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from banks</td>
<td>15,928</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>Interest-earning deposits with banks</td>
<td>162,000</td>
<td>–</td>
<td>203,364</td>
<td>42,535</td>
<td>245,899</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss(^4)</td>
<td>1,204,412</td>
<td>724,194</td>
<td>205,210</td>
<td>5,732</td>
<td>935,136</td>
</tr>
<tr>
<td>Financial assets available for sale(^5)</td>
<td>42,296</td>
<td>–</td>
<td>2,392</td>
<td>1,265</td>
<td>3,657</td>
</tr>
<tr>
<td>Loans(^6)</td>
<td>416,676</td>
<td>–</td>
<td>203,364</td>
<td>42,535</td>
<td>245,899</td>
</tr>
<tr>
<td>Other assets subject to credit risk</td>
<td>88,221</td>
<td>65,616</td>
<td>9,995</td>
<td>2</td>
<td>75,613</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities(^6)</td>
<td>73,653</td>
<td>–</td>
<td>5,524</td>
<td>7,521</td>
<td>13,045</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments(^6)</td>
<td>129,657</td>
<td>–</td>
<td>4,771</td>
<td>10,558</td>
<td>15,329</td>
</tr>
<tr>
<td><strong>Total credit enhancements</strong></td>
<td><strong>2,188,291</strong></td>
<td><strong>789,810</strong></td>
<td><strong>482,543</strong></td>
<td><strong>63,588</strong></td>
<td><strong>1,335,941</strong></td>
</tr>
</tbody>
</table>

\(^1\) All amounts at carrying value unless otherwise indicated.  
\(^2\) Does not include credit derivative notional sold (€ 1,830,104 million) and credit derivative notional bought protection. Interest-earning deposits with banks mainly relate to liquidity reserves.  
\(^3\) Credit derivatives are reflected with the notional of the underlying.  
\(^4\) Excludes equities, other equity interests and commodities.  
\(^5\) Gross loans less interest-earning deposits with banks (including unearned income before deductions of allowance for loan losses).  
\(^6\) Financial guarantees, other credit related contingent liabilities and irrevocable lending commitments (including commitments designated under the fair value option) are reflected at notional amounts.
Included in the category of financial assets at fair value through profit or loss as of December 31, 2012, were € 125 billion of securities purchased under resale agreements (€ 117 billion as of December 31, 2011) and € 28 billion of securities borrowed (€ 27 billion as of December 31, 2011), both with limited net credit risk as a result of very high levels of collateral, as well as debt securities of € 153 billion (€ 154 billion as of December 31, 2011) that are over 84 % investment grade (over 84 % as of December 31, 2011). The above mentioned financial assets available for sale category primarily reflected debt securities of which more than 95 % were investment grade (more than 93 % as of December 31, 2011).

The decrease in maximum exposure to credit risk for December 31, 2012 was predominantly driven by positive market values from derivatives (in financial assets at fair value through profit or loss) which decreased by € 91 billion to € 768 billion as of December 31, 2012 and interest-earning deposits with banks, which decreased by € 42 billion and accounted for € 120 billion exposure as of December 31, 2012.

Credit Enhancements are split in three categories: netting, collateral, and guarantees and credit derivatives. A prudent approach is taken with respect to haircuts, parameter setting for regular margin calls as well as expert judgements for collateral to ensure that market developments do not lead to a build-up of uncollateralised exposures. All categories are monitored and reviewed regularly. Overall credit enhancements received are diversified and of adequate quality being largely cash, Group of Six government bonds and third-party guarantees mostly from well rated banks and insurance companies (including Monoline insurers which are discussed in more detail in section “Financial Position – Exposure to Monoline Insurers”).

These financial institutions are mainly domiciled in Western European countries and the United States. Furthermore we obtain 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 generally derive our credit quality from internal ratings and group our exposures into classes as shown below.

<table>
<thead>
<tr>
<th>Credit Quality of Financial Instruments neither Past Due nor Impaired</th>
<th>Dec 31, 2012</th>
<th>in € m. 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from banks (iAAA-iAA)</td>
<td>24,957</td>
<td>iAAA-iAA</td>
</tr>
<tr>
<td>Due from banks (iA)</td>
<td>1,528</td>
<td>iA</td>
</tr>
<tr>
<td>Due from banks (iBBB)</td>
<td>989</td>
<td>iBBB</td>
</tr>
<tr>
<td>Due from banks (iBB)</td>
<td>193</td>
<td>iBB</td>
</tr>
<tr>
<td>Due from banks (iB)</td>
<td>171</td>
<td>iB</td>
</tr>
<tr>
<td>Due from banks (CCC and below)</td>
<td>47</td>
<td>CCC and below</td>
</tr>
<tr>
<td>Total</td>
<td>27,885</td>
<td>Total</td>
</tr>
<tr>
<td>Interest-earning deposits with banks</td>
<td>110,051</td>
<td>iAAA-iAA</td>
</tr>
<tr>
<td>Interest-earning deposits with banks (iA)</td>
<td>7,238</td>
<td>iA</td>
</tr>
<tr>
<td>Interest-earning deposits with banks (iBBB)</td>
<td>1,369</td>
<td>iBBB</td>
</tr>
<tr>
<td>Interest-earning deposits with banks (iBB)</td>
<td>746</td>
<td>iBB</td>
</tr>
<tr>
<td>Interest-earning deposits with banks (iB)</td>
<td>79</td>
<td>iB</td>
</tr>
<tr>
<td>Interest-earning deposits with banks (CCC and below)</td>
<td>65</td>
<td>CCC and below</td>
</tr>
<tr>
<td>Total</td>
<td>119,548</td>
<td>Total</td>
</tr>
<tr>
<td>Central bank funds sold and securities</td>
<td>1,605</td>
<td>iAAA-iAA</td>
</tr>
<tr>
<td>Central bank funds sold and securities (iA)</td>
<td>32,560</td>
<td>iA</td>
</tr>
<tr>
<td>Central bank funds sold and securities (iBBB)</td>
<td>1,332</td>
<td>iBBB</td>
</tr>
<tr>
<td>Central bank funds sold and securities (iBB)</td>
<td>877</td>
<td>iBB</td>
</tr>
<tr>
<td>Central bank funds sold and securities (iB)</td>
<td>140</td>
<td>iB</td>
</tr>
<tr>
<td>Central bank funds sold and securities (CCC and below)</td>
<td>56</td>
<td>CCC and below</td>
</tr>
<tr>
<td>Total</td>
<td>36,570</td>
<td>Total</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss 2</td>
<td>348,329</td>
<td>iAAA-iAA</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss 2</td>
<td>551,300</td>
<td>iA</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss 2</td>
<td>98,274</td>
<td>iBBB</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss 2</td>
<td>90,853</td>
<td>iBB</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss 2</td>
<td>23,260</td>
<td>iB</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss 2</td>
<td>7,084</td>
<td>CCC and below</td>
</tr>
<tr>
<td>Total</td>
<td>1,119,100</td>
<td>Total</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>14,668</td>
<td>iAAA-iAA</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>7,322</td>
<td>iA</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>1,213</td>
<td>iBBB</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>438</td>
<td>iBB</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>306</td>
<td>iB</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>23,947</td>
<td>CCC and below</td>
</tr>
<tr>
<td>Loans 3</td>
<td>30,077</td>
<td>iAAA-iAA</td>
</tr>
<tr>
<td>Loans 3</td>
<td>8,303</td>
<td>iA</td>
</tr>
<tr>
<td>Loans 3</td>
<td>4,076</td>
<td>iBBB</td>
</tr>
<tr>
<td>Loans 3</td>
<td>1,913</td>
<td>iBB</td>
</tr>
<tr>
<td>Loans 3</td>
<td>515</td>
<td>iB</td>
</tr>
<tr>
<td>Loans 3</td>
<td>1,964</td>
<td>CCC and below</td>
</tr>
<tr>
<td>Total</td>
<td>46,848</td>
<td>Total</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities 4</td>
<td>51,853</td>
<td>iAAA-iAA</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities 4</td>
<td>52,868</td>
<td>iA</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities 4</td>
<td>99,683</td>
<td>iBBB</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities 4</td>
<td>129,516</td>
<td>iBB</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities 4</td>
<td>38,935</td>
<td>iB</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities 4</td>
<td>385,665</td>
<td>CCC and below</td>
</tr>
<tr>
<td>Total</td>
<td>68,361</td>
<td>Total</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments 4</td>
<td>20,233</td>
<td>iAAA-iAA</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments 4</td>
<td>37,456</td>
<td>iA</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments 4</td>
<td>37,754</td>
<td>iBBB</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments 4</td>
<td>22,631</td>
<td>iBB</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments 4</td>
<td>10,068</td>
<td>iB</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments 4</td>
<td>1,515</td>
<td>CCC and below</td>
</tr>
<tr>
<td>Total</td>
<td>129,657</td>
<td>Total</td>
</tr>
<tr>
<td>Total</td>
<td>2,043,387</td>
<td>Total</td>
</tr>
</tbody>
</table>

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 Financial guarantees, other credit related contingent liabilities and irrevocable lending commitments (including commitments designated under the fair value option) are reflected at notional amounts.
Financial assets at fair value through profit and loss saw a material fall in gross exposures (i.e., before credit enhancements) principally driven by a reduction of positive market values of derivatives. On a net basis after credit enhancements portfolio quality has remained broadly stable and heavily biased towards investment grade-rated counterparties. Our loan portfolio quality remained robust with a significant reduction to lowest rated counterparties in “iCCC and below” by 30% to €13.1 billion.

**Main Credit Exposure Categories**

The tables in this section show details about several of our main credit exposure categories, namely loans, irrevocable lending commitments, contingent liabilities, over-the-counter (“OTC”) derivatives, traded loans, traded bonds, debt securities available for sale and Repo and repo-style transactions:

- “Loans” are net loans as reported on our balance sheet at amortized cost but before deduction of our allowance for loan losses.
- “Irrevocable lending commitments” consist of the undrawn portion of irrevocable lending-related commitments.
- “Contingent liabilities” consist of financial and performance guarantees, standby letters of credit and others (mainly indemnity agreements).
- “OTC derivatives” are our credit exposures from over-the-counter derivative transactions that we have entered into, after netting and cash collateral received. On our balance sheet, these are included in financial assets at fair value through profit or loss or, for derivatives qualifying for hedge accounting, in other assets, in either case, before netting and cash collateral received.
- “Traded loans” are loans that are bought and held for the purpose of selling them in the near term, or the material risks of which have all been hedged or sold. From a regulatory perspective this category principally covers trading book positions.
- “Traded bonds” include bonds, deposits, notes or commercial paper that are bought and held for the purpose of selling them in the near term. From a regulatory perspective this category principally covers trading book positions.
- “Debt securities available for sale” include debentures, bonds, deposits, notes or commercial paper, which are issued for a fixed term and redeemable by the issuer, which we have classified as available for sale.
- “Repo and repo-style transactions” consist of reverse repurchase transactions, as well as securities or commodities borrowing transactions after application of netting and collateral received.

### Table: Main Credit Exposure Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>iAAA-iAA</th>
<th>iA</th>
<th>iBBB</th>
<th>iBB</th>
<th>iB</th>
<th>iCCC and below</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from banks</td>
<td>12,851</td>
<td>1,021</td>
<td>791</td>
<td>1,187</td>
<td>78</td>
<td>–</td>
<td>15,928</td>
</tr>
<tr>
<td>Interest-earning deposits with banks</td>
<td>149,285</td>
<td>7,982</td>
<td>1,692</td>
<td>2,747</td>
<td>145</td>
<td>149</td>
<td>162,000</td>
</tr>
<tr>
<td>Central bank funds sold and securities purchased under resale agreements</td>
<td>9,010</td>
<td>11,604</td>
<td>3,994</td>
<td>1,907</td>
<td>60</td>
<td>8</td>
<td>25,773</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>25,323</td>
<td>3,697</td>
<td>1,613</td>
<td>566</td>
<td>138</td>
<td>–</td>
<td>31,337</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>503,403</td>
<td>492,467</td>
<td>107,143</td>
<td>73,098</td>
<td>14,953</td>
<td>13,348</td>
<td>1,204,412</td>
</tr>
<tr>
<td>Financial assets available for sale</td>
<td>22,824</td>
<td>8,673</td>
<td>5,407</td>
<td>2,955</td>
<td>528</td>
<td>1,357</td>
<td>41,744</td>
</tr>
<tr>
<td>Loans</td>
<td>66,822</td>
<td>59,737</td>
<td>97,116</td>
<td>119,631</td>
<td>37,923</td>
<td>18,698</td>
<td>399,927</td>
</tr>
<tr>
<td>Other assets subject to credit risk</td>
<td>13,980</td>
<td>22,998</td>
<td>8,100</td>
<td>42,200</td>
<td>556</td>
<td>387</td>
<td>88,221</td>
</tr>
<tr>
<td>Financial guarantees and other credit related contingent liabilities</td>
<td>6,535</td>
<td>24,409</td>
<td>21,003</td>
<td>13,986</td>
<td>6,051</td>
<td>1,669</td>
<td>73,653</td>
</tr>
<tr>
<td>Irrevocable lending commitments and other credit related commitments</td>
<td>21,152</td>
<td>37,895</td>
<td>36,659</td>
<td>21,066</td>
<td>9,152</td>
<td>2,071</td>
<td>127,995</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>631,186</strong></td>
<td><strong>670,483</strong></td>
<td><strong>283,518</strong></td>
<td><strong>278,533</strong></td>
<td><strong>69,584</strong></td>
<td><strong>37,687</strong></td>
<td><strong>2,170,991</strong></td>
</tr>
</tbody>
</table>
Although considered in the monitoring of maximum credit exposures, the following are not included in the details of our main credit exposure: brokerage and securities related receivables, interest-earning deposits with banks, cash and due from banks, assets held for sale and accrued interest receivables. Excluded as well are traditional securitization positions and equity investments, which are dealt with specifically in the sections “Securitization” and “Nontrading Market Risk – Investment Risk” and “Nontrading Market Risk – Equity Investments Held”, respectively.

**Main Credit Exposure Categories by Business Divisions**

<table>
<thead>
<tr>
<th>Dec 31, 2012</th>
<th>Loans¹</th>
<th>Irrevocable lending commitments²</th>
<th>Contingent liabilities</th>
<th>OTC derivatives³</th>
<th>Traded Loans</th>
<th>Traded Bonds</th>
<th>Debt securities available for sale</th>
<th>Repo and repo-style transactions⁴</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Banking &amp; Securities</td>
<td>54,155</td>
<td>100,617</td>
<td>8,741</td>
<td>53,629</td>
<td>14,052</td>
<td>133,519</td>
<td>10,517</td>
<td>189,681</td>
<td>564,911</td>
</tr>
<tr>
<td>Global Transaction Bank</td>
<td>58,882</td>
<td>9,392</td>
<td>51,590</td>
<td>732</td>
<td>827</td>
<td>52</td>
<td>133</td>
<td>2,965</td>
<td>124,573</td>
</tr>
<tr>
<td>Asset &amp; Wealth Management</td>
<td>29,560</td>
<td>3,503</td>
<td>2,824</td>
<td>565</td>
<td>21</td>
<td>7,540</td>
<td>3,044</td>
<td>76</td>
<td>47,123</td>
</tr>
<tr>
<td>Private &amp; Business Clients</td>
<td>209,228</td>
<td>14,503</td>
<td>1,764</td>
<td>1,150</td>
<td>–</td>
<td>80</td>
<td>17,931</td>
<td>20,936</td>
<td>265,592</td>
</tr>
<tr>
<td>Non-Core Operations</td>
<td>49,860</td>
<td>1,451</td>
<td>3,353</td>
<td>6,373</td>
<td>3,250</td>
<td>11,699</td>
<td>12,485</td>
<td>150</td>
<td>88,621</td>
</tr>
<tr>
<td>Consolidation &amp; Adjustments</td>
<td>290</td>
<td>191</td>
<td>89</td>
<td>5</td>
<td>2</td>
<td>64</td>
<td>45</td>
<td>–</td>
<td>686</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>401,975</td>
<td>129,657</td>
<td>68,361</td>
<td>62,444</td>
<td>18,152</td>
<td>189,681</td>
<td>44,155</td>
<td>213,808</td>
<td>1,091,506</td>
</tr>
</tbody>
</table>

1 Includes impaired loans amounting to € 10.3 billion as of December 31, 2012.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.4 billion as of December 31, 2012.
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.

<table>
<thead>
<tr>
<th>Dec 31, 2011</th>
<th>Loans¹</th>
<th>Irrevocable lending commitments²</th>
<th>Contingent liabilities</th>
<th>OTC derivatives³</th>
<th>Traded Loans</th>
<th>Traded Bonds</th>
<th>Debt securities available for sale</th>
<th>Repo and repo-style transactions⁴</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Banking &amp; Securities</td>
<td>58,428</td>
<td>99,219</td>
<td>12,412</td>
<td>65,145</td>
<td>12,913</td>
<td>134,394</td>
<td>3,006</td>
<td>180,020</td>
<td>565,537</td>
</tr>
<tr>
<td>Global Transaction Bank</td>
<td>57,876</td>
<td>8,916</td>
<td>52,479</td>
<td>815</td>
<td>436</td>
<td>50</td>
<td>1,025</td>
<td>2,749</td>
<td>124,346</td>
</tr>
<tr>
<td>Asset &amp; Wealth Management</td>
<td>27,638</td>
<td>3,225</td>
<td>3,038</td>
<td>1,042</td>
<td>–</td>
<td>6,991</td>
<td>2,498</td>
<td>627</td>
<td>45,059</td>
</tr>
<tr>
<td>Private &amp; Business Clients</td>
<td>207,653</td>
<td>14,089</td>
<td>2,330</td>
<td>829</td>
<td>–</td>
<td>14</td>
<td>16,563</td>
<td>12,182</td>
<td>253,660</td>
</tr>
<tr>
<td>Non-Core Operations</td>
<td>64,721</td>
<td>2,459</td>
<td>3,345</td>
<td>11,790</td>
<td>4,689</td>
<td>12,839</td>
<td>16,246</td>
<td>6,076</td>
<td>122,165</td>
</tr>
<tr>
<td>Consolidation &amp; Adjustments</td>
<td>360</td>
<td>87</td>
<td>49</td>
<td>3</td>
<td>1</td>
<td>45</td>
<td>43</td>
<td>–</td>
<td>588</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>416,676</td>
<td>127,995</td>
<td>73,653</td>
<td>79,624</td>
<td>18,039</td>
<td>154,333</td>
<td>39,381</td>
<td>201,654</td>
<td>1,111,355</td>
</tr>
</tbody>
</table>

1 Includes impaired loans amounting to € 10.1 billion as of December 31, 2011.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 9.2 billion as of December 31, 2011.
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.

Our main credit exposure decreased by € 19.8 billion.

— From a divisional perspective, a significant reduction of € 33.5 billion has been achieved by the recently established NCOU partly offset by an increase in PBC exposure (€ 11.9 billion) mainly driven by Repo and repo-style transactions due to reduced nettable contracts where excess liquidity has been invested in repo transactions.

— From a product perspective, exposure reductions have been recorded for Loans (€ 14.7 billion) and OTC derivatives (€ 17.2 billion) partly offset by an increase in Repo and repo-style transactions (€ 12.2 billion).
### Main Credit Exposure Categories by Industry Sectors

<table>
<thead>
<tr>
<th>Category</th>
<th>Loans 1</th>
<th>Irrevocable lending commitments 2</th>
<th>Contingent liabilities</th>
<th>OTC derivatives 3</th>
<th>Traded Loans</th>
<th>Traded Bonds</th>
<th>Debt securities available for sale</th>
<th>Repo and repo-style transactions 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Banks and insurance</strong></td>
<td>27,849</td>
<td>22,083</td>
<td>16,021</td>
<td>32,673</td>
<td>2,720</td>
<td>34,750</td>
<td>15,280</td>
<td>207,476</td>
<td>358,852</td>
</tr>
<tr>
<td><strong>Fund management activities</strong></td>
<td>16,777</td>
<td>6,248</td>
<td>2,063</td>
<td>4,583</td>
<td>536</td>
<td>7,324</td>
<td>1,092</td>
<td>18</td>
<td>38,641</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td>23,203</td>
<td>30,347</td>
<td>18,899</td>
<td>1,626</td>
<td>2,395</td>
<td>3,545</td>
<td>482</td>
<td>-</td>
<td>80,497</td>
</tr>
<tr>
<td><strong>Wholesale and retail trade</strong></td>
<td>17,026</td>
<td>8,799</td>
<td>6,080</td>
<td>757</td>
<td>546</td>
<td>1,121</td>
<td>149</td>
<td>-</td>
<td>34,478</td>
</tr>
<tr>
<td><strong>Households</strong></td>
<td>180,974</td>
<td>12,273</td>
<td>2,593</td>
<td>730</td>
<td>1,380</td>
<td>7</td>
<td>-</td>
<td>45</td>
<td>198,002</td>
</tr>
<tr>
<td><strong>Commercial real estate activities</strong></td>
<td>45,225</td>
<td>2,677</td>
<td>691</td>
<td>1,567</td>
<td>2,355</td>
<td>1,335</td>
<td>68</td>
<td>-</td>
<td>53,918</td>
</tr>
<tr>
<td><strong>Public sector</strong></td>
<td>15,378</td>
<td>1,370</td>
<td>107</td>
<td>6,319</td>
<td>318</td>
<td>87,295</td>
<td>25,095</td>
<td>1,027</td>
<td>136,905</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>75,543</td>
<td>45,860</td>
<td>21,907</td>
<td>14,189</td>
<td>7,902</td>
<td>17,581</td>
<td>1,989</td>
<td>5,242</td>
<td>190,213</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>401,975</td>
<td>129,657</td>
<td>68,361</td>
<td>62,444</td>
<td>18,152</td>
<td>152,954</td>
<td>44,155</td>
<td>213,808</td>
<td>1,091,506</td>
</tr>
</tbody>
</table>

1 Includes impaired loans amounting to € 10.3 billion as of December 31, 2012.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.4 billion as of December 31, 2012.
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.

From an industry perspective, our credit exposure is lower compared to last year in Banks and Insurance (€ 17.3 billion) and Funds management activities (€ 12.8 billion), partly offset by an increase in Households (€ 7.1 billion) primarily in Loans, reflecting the overall growth of our retail book.

Loan exposures to the industry sectors banks and insurance, manufacturing and public sector comprise predominantly investment grade variable rate loans which are held to maturity. The portfolio is subject to the same credit underwriting requirements stipulated in our Principles for Managing Credit Risk, including various controls according to single name, country, industry and product-specific concentration.

Material transactions, such as loans underwritten with the intention to syndicate, are subject to review by senior credit risk management professionals and (depending upon size) an underwriting credit committee and/or the Management Board. High emphasis is placed on structuring such transactions to ensure de-risking is achieved in a timely and cost effective manner. Exposures within these categories are mostly to good quality borrowers and also subject to further risk mitigation as outlined in the description of our Credit Portfolio Strategies Group’s activities.
Our household loans exposure amounting to € 181 billion as of December 31, 2012 (€ 174 billion as of December 2011) is principally associated with our PBC portfolio. € 142 billion (78 %) of the portfolio comprises mortgages, of which € 112 billion are held in Germany. The remaining exposures (€ 39 billion, 22 %) 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 (e.g., 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 to mortgages they are also smaller in value and are extended for shorter time. Based on our underwriting criteria and processes, diversified portfolio (customers/properties) and low loan-to-value (LTV) ratios, the mortgage portfolio is categorized as lower risk and consumer finance medium risk.

Our commercial real estate loans are generally originated for distribution as securities (CMBS) or in the bank syndication market and accounted for as financial assets at fair value through profit and loss, with the exception of Postbank commercial real estate loans which are generally held to maturity and not sold in the secondary market. Loans are generally secured by first mortgages on the underlying real estate property, and follow the credit underwriting requirements stipulated in the Principles for Managing Credit Risk noted above (i.e., rating followed by credit approval based on assigned credit authority) and are subject to additional underwriting and policy guidelines such as LTV ratios of generally less than 75 %. Additionally given the significance of the underlying collateral independent external appraisals are commissioned for all secured loans by our valuation team (part of the independent Credit Risk Management function). Our valuation team is responsible for reviewing and challenging the reported real estate values.

Excluding the exposures transferred into the NCOU, the Commercial Real Estate Group does not normally retain mezzanine or other junior tranches of debt, though the Postbank portfolio holds an insignificant sub-portfolio of junior tranches. Loans originated for securitization are carefully monitored under a pipeline limit. Securitized loan positions are entirely sold (except where regulation requires retention of economic risk), while we frequently retain a portion of syndicated bank loans. This hold portfolio, which is held at amortized cost, is also subject to the aforementioned principles and policy guidelines. We also participate in conservatively underwritten unsecured lines of credit to well-capitalized real estate investment trusts and other public companies (generally investment grade). In addition, sub-performing and non-performing loans and pools of loans are generally acquired from other financial institutions at substantial discounts to both the notional amounts and current collateral values. The underwriting process is stringent and the exposure is managed under a separate portfolio limit. We provide both fixed rate (generally securitized product) and floating rate loans, with interest rate exposure subject to hedging arrangements. 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 € 76 billion as of December 31, 2012 (€ 82 billion as of December 31, 2011), relates to numerous smaller industry sectors with no individual sector greater than 5 % of total loans.
Our credit exposure to our ten largest counterparties accounted for 11% of our aggregated total credit exposure in these categories as of December 31, 2012 compared to 8% as of December 31, 2011. Our top ten counterparty exposures were with well-rated counterparties or otherwise related to structured trades which show high levels of risk mitigation.

The following two tables present specific disclosures in relation to Pillar 3. Per regulation it is not required to audit Pillar 3 disclosures.

### Residual contract maturity profile of the main credit exposure categories (unaudited)

<table>
<thead>
<tr>
<th>Category</th>
<th>Loans 1</th>
<th>Irrevocable lending commitments 2</th>
<th>Contingent liabilities</th>
<th>OTC derivatives 3</th>
<th>Traded Loans</th>
<th>Traded Bonds</th>
<th>Debt securities available for sale</th>
<th>Repo and repo-style transactions 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 1 year</td>
<td>126,091</td>
<td>30,601</td>
<td>35,777</td>
<td>12,561</td>
<td>3,516</td>
<td>36,043</td>
<td>5,702</td>
<td>211,868</td>
<td>462,159</td>
</tr>
<tr>
<td>1 year – 5 years</td>
<td>96,668</td>
<td>62,179</td>
<td>23,996</td>
<td>17,821</td>
<td>8,513</td>
<td>42,794</td>
<td>21,110</td>
<td>1,817</td>
<td>294,898</td>
</tr>
<tr>
<td>&gt; 5 years</td>
<td>179,216</td>
<td>16,877</td>
<td>8,588</td>
<td>32,062</td>
<td>6,123</td>
<td>74,117</td>
<td>17,343</td>
<td>123</td>
<td>334,449</td>
</tr>
<tr>
<td>Total credit risk exposure</td>
<td>401,975</td>
<td>129,657</td>
<td>68,361</td>
<td>62,444</td>
<td>18,152</td>
<td>152,954</td>
<td>44,155</td>
<td>213,808</td>
<td>1,091,506</td>
</tr>
</tbody>
</table>

1 Includes impaired loans amounting to €10.3 billion as of December 31, 2012.
2 Includes irrevocable lending commitments related to consumer credit exposure of €10.4 billion as of December 31, 2012.
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.

### Average credit risk exposure held over the four quarters (unaudited)

<table>
<thead>
<tr>
<th>Year</th>
<th>Category</th>
<th>Loans 1</th>
<th>Irrevocable lending commitments 2</th>
<th>Contingent liabilities</th>
<th>OTC derivatives 3</th>
<th>Traded Loans</th>
<th>Traded Bonds</th>
<th>Debt securities available for sale</th>
<th>Repo and repo-style transactions 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Total average credit risk exposure</td>
<td>400,002</td>
<td>131,348</td>
<td>68,680</td>
<td>68,334</td>
<td>17,164</td>
<td>162,498</td>
<td>42,529</td>
<td>201,654</td>
<td>1,129,104</td>
</tr>
<tr>
<td>Total credit risk exposure at year-end</td>
<td>401,975</td>
<td>129,657</td>
<td>68,361</td>
<td>62,444</td>
<td>18,152</td>
<td>152,954</td>
<td>44,155</td>
<td>229,549</td>
<td>1,111,506</td>
<td></td>
</tr>
</tbody>
</table>

1 Includes impaired loans amounting to €10.3 billion as of December 31, 2012.
2 Includes irrevocable lending commitments related to consumer credit exposure of €10.4 billion as of December 31, 2012.
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.

### 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Category</th>
<th>Loans 1</th>
<th>Irrevocable lending commitments 2</th>
<th>Contingent liabilities</th>
<th>OTC derivatives 3</th>
<th>Traded Loans</th>
<th>Traded Bonds</th>
<th>Debt securities available for sale</th>
<th>Repo and repo-style transactions 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total average credit risk exposure</td>
<td>407,212</td>
<td>125,310</td>
<td>68,988</td>
<td>69,490</td>
<td>19,651</td>
<td>174,242</td>
<td>42,529</td>
<td>229,549</td>
<td>1,129,104</td>
<td></td>
</tr>
<tr>
<td>Total credit risk exposure at year-end</td>
<td>416,676</td>
<td>127,995</td>
<td>73,653</td>
<td>79,624</td>
<td>18,039</td>
<td>154,333</td>
<td>39,381</td>
<td>201,654</td>
<td>1,111,355</td>
<td></td>
</tr>
</tbody>
</table>

1 Includes impaired loans amounting to €10.1 billion as of December 31, 2011.
2 Includes irrevocable lending commitments related to consumer credit exposure of €9.2 billion as of December 31, 2011.
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.
Main credit exposure categories by geographical region

### Dec 31, 2012

<table>
<thead>
<tr>
<th>Region</th>
<th>Loans 1</th>
<th>Irrevocable lending commitments 2</th>
<th>Contingent liabilities</th>
<th>OTC derivatives 3</th>
<th>Traded Loans</th>
<th>Traded Bonds</th>
<th>Debt securities available for sale</th>
<th>Repo and repo-style transactions 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>199,280</td>
<td>24,301</td>
<td>14,863</td>
<td>3,159</td>
<td>309</td>
<td>15,960</td>
<td>12,794</td>
<td>24,526</td>
<td>295,192</td>
</tr>
<tr>
<td>Western Europe (excluding Germany)</td>
<td>104,342</td>
<td>33,922</td>
<td>19,279</td>
<td>29,478</td>
<td>5,752</td>
<td>31,529</td>
<td>25,802</td>
<td>300,450</td>
<td></td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>10,187</td>
<td>1,479</td>
<td>1,926</td>
<td>1,075</td>
<td>2,314</td>
<td>4,246</td>
<td>303</td>
<td>21,910</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>52,560</td>
<td>63,302</td>
<td>19,883</td>
<td>18,423</td>
<td>1,006</td>
<td>63,718</td>
<td>2,500</td>
<td>328,551</td>
<td></td>
</tr>
<tr>
<td>Central and South America</td>
<td>4,747</td>
<td>756</td>
<td>1,343</td>
<td>1,053</td>
<td>518</td>
<td>4,812</td>
<td>57</td>
<td>15,980</td>
<td></td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>29,120</td>
<td>5,253</td>
<td>10,061</td>
<td>9,165</td>
<td>1,761</td>
<td>31,781</td>
<td>2,699</td>
<td>124,461</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>1,635</td>
<td>587</td>
<td>1,006</td>
<td>17</td>
<td>88</td>
<td>766</td>
<td>462</td>
<td>4,561</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>104</td>
<td>57</td>
<td>74</td>
<td>24</td>
<td>142</td>
<td>-</td>
<td>-</td>
<td>401</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>401,975</td>
<td>129,657</td>
<td>68,361</td>
<td>62,444</td>
<td>18,152</td>
<td>152,954</td>
<td>44,155</td>
<td>213,808</td>
<td>1,091,506</td>
</tr>
</tbody>
</table>

1. Includes impaired loans amounting to € 10.3 billion as of December 31, 2012.
2. Includes irrevocable lending commitments related to consumer credit exposure of € 10.4 billion as of December 31, 2012.
3. Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4. Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

### Dec 31, 2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Loans 1</th>
<th>Irrevocable lending commitments 2</th>
<th>Contingent liabilities</th>
<th>OTC derivatives 3</th>
<th>Traded Loans</th>
<th>Traded Bonds</th>
<th>Debt securities available for sale</th>
<th>Repo and repo-style transactions 4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>199,442</td>
<td>24,448</td>
<td>15,408</td>
<td>5,148</td>
<td>376</td>
<td>17,445</td>
<td>7,848</td>
<td>24,207</td>
<td>294,322</td>
</tr>
<tr>
<td>Western Europe (excluding Germany)</td>
<td>115,782</td>
<td>32,399</td>
<td>19,460</td>
<td>35,932</td>
<td>29,720</td>
<td>5,720</td>
<td>29,720</td>
<td>53,520</td>
<td>317,443</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>9,387</td>
<td>1,357</td>
<td>1,682</td>
<td>135</td>
<td>2,001</td>
<td>2,331</td>
<td>135</td>
<td>17,810</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>54,962</td>
<td>63,318</td>
<td>23,884</td>
<td>28,070</td>
<td>7,482</td>
<td>65,424</td>
<td>5,523</td>
<td>327,677</td>
<td></td>
</tr>
<tr>
<td>Central and South America</td>
<td>4,775</td>
<td>852</td>
<td>1,803</td>
<td>396</td>
<td>499</td>
<td>4,936</td>
<td>79</td>
<td>2,524</td>
<td>15,864</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>30,291</td>
<td>4,791</td>
<td>10,426</td>
<td>9,011</td>
<td>1,815</td>
<td>33,836</td>
<td>628</td>
<td>41,417</td>
<td>132,214</td>
</tr>
<tr>
<td>Africa</td>
<td>1,502</td>
<td>596</td>
<td>991</td>
<td>888</td>
<td>127</td>
<td>611</td>
<td>7</td>
<td>424</td>
<td>5,148</td>
</tr>
<tr>
<td>Other</td>
<td>535</td>
<td>232</td>
<td>-</td>
<td>-</td>
<td>19</td>
<td>30</td>
<td>17</td>
<td>877</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>416,676</td>
<td>127,995</td>
<td>73,653</td>
<td>79,624</td>
<td>18,039</td>
<td>154,333</td>
<td>39,381</td>
<td>201,654</td>
<td>1,111,355</td>
</tr>
</tbody>
</table>

1. Includes impaired loans amounting to € 10.1 billion as of December 31, 2011.
2. Includes irrevocable lending commitments related to consumer credit exposure of € 9.2 billion as of December 31, 2011.
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.

Our largest concentration of credit risk within loans from a regional perspective was 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 our largest concentrations were in Western Europe (excluding Germany) and North America, with a significant share in highly rated banks and insurance companies for which we consider the credit risk to be limited.

Our largest concentrations of credit risk within tradable assets from a regional perspective were in North America and Western Europe (excluding Germany), with a significant share in public sector and banks and insurance companies. Within the repo and repo-style transactions our largest concentrations were in North America and Western Europe (excluding Germany), with a significant share in highly rated banks and insurance companies.

Our overall loan book as of December 31, 2012 decreased to € 402 billion versus € 417 billion as of December 31, 2011. The decrease in OTC derivatives (€ 17 billion) is mainly in North America and Western Europe (excluding Germany). The decrease in loans (€ 15 billion) was mainly in Western Europe (excluding Germany) and North America with banks and insurance and fund management activities. The increase in repo and repo-style transactions (€ 12 billion) was primarily in positions with banks and insurance companies within North America, partly offset with decreases in Asia/Pacific region.
Credit Risk Exposure to Certain Eurozone Countries

Certain eurozone countries are presented within the tables below due to heightened concerns around sovereign risk caused by the wider European sovereign debt crisis as evidenced by widening and volatile credit default swap spreads. This heightened risk is driven by a number of factors impacting the associated sovereign including high public debt levels and/or large deficits, limited access to capital markets, proximity of debt repayment dates, poor economic fundamentals and outlook (including low gross domestic product growth, weak competitiveness, high unemployment and political uncertainty). Some of these countries have accepted “bail out” packages.

For the presentation of our exposure to these certain eurozone countries we apply two general concepts as follows:

— In our “risk management view”, we consider the domicile of the group parent, thereby reflecting the one obligor principle. All facilities to a group of borrowers which are linked to each other (e.g., by one entity holding a majority of the voting rights or capital of another) are consolidated under one obligor. This group of borrowers is usually allocated to the country of domicile of the respective parent company. As an example, a loan to a counterparty in Spain is Spanish risk as per a domicile view but considered a German risk from a risk management perspective if the respective counterparty is linked to a parent company domiciled in Germany following the above-mentioned one obligor principle. In this risk management view we also consider derivative netting and present exposures net of hedges and collateral. The collateral valuations follow the same stringent approach and principles as outlined separately. Also, in our risk management we classify exposure to special purpose entities based on the domicile of the underlying assets as opposed to the domicile of the special purpose entities. Additional considerations apply for structured products. If, for example, a structured note is issued by a special purpose entity domiciled in Ireland, it will be considered an Irish risk in a “country of domicile” view, but if the underlying assets collateralizing the structured note are German mortgage loans, then the exposure would be included as German risk in the “risk management” view.

— In our “country of domicile view” we aggregate credit risk exposures to counterparties by allocating them to the domicile of the primary counterparty, irrespective of any link to other counterparties, or in relation to credit default swaps underlying reference assets from, these eurozone countries. Hence we also include counterparties whose group parent is located outside of these countries and exposures to special purpose entities whose underlying assets are from entities domiciled in other countries.

### Net credit risk exposure with certain eurozone countries – Risk Management View

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>646</td>
<td>840</td>
</tr>
<tr>
<td>Ireland</td>
<td>1,443</td>
<td>1,570</td>
</tr>
<tr>
<td>Italy</td>
<td>19,068</td>
<td>18,064</td>
</tr>
<tr>
<td>Portugal</td>
<td>1,187</td>
<td>1,733</td>
</tr>
<tr>
<td>Spain</td>
<td>12,664</td>
<td>12,750</td>
</tr>
<tr>
<td>Total</td>
<td>35,008</td>
<td>34,957</td>
</tr>
</tbody>
</table>

Net credit risk exposure is up €51 million since year-end 2011. This was primarily driven by increases in Italy from higher trading positions, largely offset by reductions in Portugal and Spain related to financial institutions, exposure in the Postbank portfolio as well as in Greek government bonds mainly due to the participation in the Greek debt restructuring in March 2012. Cyprus credit exposure is also closely monitored in light of rising sovereign risk and is currently at a relatively low level of €38 million (based on a risk management view).

Our above exposure is principally to highly diversified, low risk retail portfolios and small and medium enterprises in Italy and Spain, as well as stronger corporate and diversified mid-cap clients. Our financial institutions exposure is predominantly geared towards larger banks in Spain and Italy, typically under collateral agreements, with the majority of Spanish financial institutions exposure being covered bonds. Sovereign exposure is moderate and principally in Italy and Spain, where it is driven mainly by our derivatives positions and participation in government bond auctions.
The following tables, which are based on the country of domicile view, present our gross position, the included amount thereof of undrawn exposure and our net exposure to these European countries. The gross exposure reflects our net credit risk exposure grossed up for net credit derivative protection purchased with underlying reference assets domiciled in one of these countries, guarantees received and collateral. Such collateral is particularly held with respect to the retail category, but also for financial institutions predominantly in relation to derivative margining arrangements, as well as for corporates. In addition the amounts also reflect the allowance for credit losses. In some cases, our counterparties’ ability to draw on undrawn commitments is limited by terms included within the specific contractual documentation. Net credit exposures are presented after effects of collateral held, guarantees received and further risk mitigation, but excluding net notional amounts of credit derivatives for protection sold/(bought). The provided gross and net exposures to certain European countries do not include credit derivative tranches and credit derivatives in relation to our correlation business which, by design, is structured to be credit risk neutral. Additionally the tranche and correlated nature of these positions does not lend itself to a 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

<table>
<thead>
<tr>
<th>Sovereign</th>
<th>Financial Institutions</th>
<th>Corporates</th>
<th>Retail</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross</td>
<td>40</td>
<td>448</td>
<td>715</td>
<td>576</td>
<td>1,501</td>
</tr>
<tr>
<td>Undrawn</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>5</td>
<td>160</td>
</tr>
<tr>
<td>Net</td>
<td>39</td>
<td>448</td>
<td>67</td>
<td>105</td>
<td>356</td>
</tr>
</tbody>
</table>

| Ireland | | | | | | | | | | |
| Gross | 932 | 420 | 1,427 | 3,472 | 6,505 | 56 | 61 | 4,292 | 6,484 | 13,212 | 18,873 |
| Undrawn | - | - | 14 | 4 | 1,581 | 1,130 | 2 | 3 | 646 | 340 | 1,636 | 1,477 |
| Net | 400 | 181 | 1,005 | 1,755 | 6,611 | 5,593 | 7 | 9 | 2,914 | 5,084 | 8,987 | 13,622 |

| Italy | | | | | | | | | | |
| Gross | 3,059 | 1,811 | 7,041 | 5,198 | 8,706 | 9,449 | 20,291 | 19,842 | 127 | 373 | 39,224 | 36,673 |
| Undrawn | 1 | 2 | 809 | 637 | 3,162 | 3,581 | 261 | 308 | - | - | 4,233 | 4,528 |
| Net | 2,969 | 1,767 | 3,150 | 2,296 | 6,191 | 5,867 | 17,922 | 17,192 | 73 | 173 | 29,991 | 21,346 |

| Portugal | | | | | | | | | | |
| Gross | 258 | 165 | 453 | 880 | 1,548 | 1,503 | 2,313 | 2,235 | 2,145 | 33 | 36 | 4,667 | 4,998 |
| Undrawn | - | - | 52 | 33 | 182 | 130 | 5 | 30 | - | - | 212 | 213 |
| Net | 153 (45) | 319 (31) | 519 | 880 | 1,598 | 1,534 | 2,313 | 2,235 | 2,145 | 33 | 36 | 717 | 1,601 |

| Spain | | | | | | | | | | |
| Gross | 1,659 | 1,322 | 5,483 | 7,198 | 10,301 | 10,199 | 11,206 | 11,106 | 11,487 | 216 | 182 | 28,765 | 30,388 |
| Undrawn | - | - | 503 | 313 | 2,690 | 3,257 | 547 | 593 | - | - | 3,840 | 4,163 |
| Net | 1,659 | 1,322 | 5,483 | 7,198 | 10,301 | 10,199 | 11,206 | 11,106 | 11,487 | 216 | 182 | 28,765 | 30,388 |

| Total gross | 5,948 | 4,166 | 15,119 | 17,324 | 28,561 | 30,873 | 33,337 | 33,813 | 4,668 | 7,075 | 88,133 | 93,251 |
| Total undrawn | 1 | 2 | 1,446 | 992 | 7,781 | 8,219 | 817 | 936 | 366 | 340 | 10,411 | 10,489 |
| Total net | 5,220 | 3,669 | 6,673 | 10,152 | 20,775 | 22,656 | 25,520 | 25,067 | 1,301 | 3,735 | 77,722 | 82,762 |

1 Includes impaired available for sale sovereign debt positions in relation to Greece as of December 31, 2011. There are no other sovereign related impaired exposures included.
2 Approximately 77 % of the overall net exposure will mature within the next 5 years.
3 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.
4 Total net exposure excludes credit valuation reserves for derivatives amounting to € 231 million as of December 31, 2012 and € 240 million as of December 31, 2011.

Total net exposure to the above selected eurozone countries decreased by € 5.3 billion in 2012 driven largely by reductions in exposure to Ireland, primarily to corporates, but also to Other, as well as by reduced exposure to financial institutions in Spain.
### Aggregate net credit risk to certain eurozone countries by type of financial instrument

<table>
<thead>
<tr>
<th></th>
<th>Financial assets carried at amortized cost</th>
<th>Financial assets measured at fair value</th>
<th>Financial instruments at fair value through profit or loss</th>
<th>Dec 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Loans before loan loss allowance</td>
<td>Loans after loan loss allowance</td>
<td>Other¹</td>
<td>Financial assets available for sale²</td>
</tr>
<tr>
<td>Greece</td>
<td>324</td>
<td>296</td>
<td>23</td>
<td>5</td>
</tr>
<tr>
<td>Ireland</td>
<td>2,188</td>
<td>2,181</td>
<td>2,982</td>
<td>978</td>
</tr>
<tr>
<td>Italy</td>
<td>11,345</td>
<td>10,615</td>
<td>3,815</td>
<td>1,585</td>
</tr>
<tr>
<td>Portugal</td>
<td>939</td>
<td>901</td>
<td>379</td>
<td>202</td>
</tr>
<tr>
<td>Spain</td>
<td>5,986</td>
<td>5,481</td>
<td>3,269</td>
<td>3,254</td>
</tr>
<tr>
<td>Total</td>
<td>20,782</td>
<td>19,474</td>
<td>10,468</td>
<td>6,024</td>
</tr>
</tbody>
</table>

¹ Primarily includes contingent liabilities and undrawn lending commitments.  
² Excludes equities and other equity interests.  
³ After loan loss allowances.

For our credit derivative exposure with these eurozone countries we present the notional amounts for protection sold and protection bought on a gross level as well as the resulting net notional position and its fair value.

### Credit derivative exposure with underlying assets domiciled in certain eurozone countries

<table>
<thead>
<tr>
<th></th>
<th>Protection sold</th>
<th>Protection bought</th>
<th>Net protection sold/(bought)</th>
<th>Dec 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>1,396</td>
<td>(1,386)</td>
<td>10</td>
<td>(8)</td>
</tr>
<tr>
<td>Ireland</td>
<td>8,280</td>
<td>(9,743)</td>
<td>(1,463)</td>
<td>55</td>
</tr>
<tr>
<td>Italy</td>
<td>60,638</td>
<td>(58,059)</td>
<td>2,579</td>
<td>145</td>
</tr>
<tr>
<td>Portugal</td>
<td>10,744</td>
<td>(11,209)</td>
<td>(465)</td>
<td>(5)</td>
</tr>
<tr>
<td>Spain</td>
<td>30,408</td>
<td>(30,004)</td>
<td>404</td>
<td>(8)</td>
</tr>
<tr>
<td>Total</td>
<td>111,466</td>
<td>(110,401)</td>
<td>1,065</td>
<td>179</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Protection sold</th>
<th>Protection bought</th>
<th>Net protection sold/(bought)</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>8,284</td>
<td>(8,209)</td>
<td>75</td>
<td>(75)</td>
</tr>
<tr>
<td>Ireland</td>
<td>11,203</td>
<td>(12,380)</td>
<td>(1,177)</td>
<td>51</td>
</tr>
<tr>
<td>Italy</td>
<td>59,890</td>
<td>(59,361)</td>
<td>529</td>
<td>32</td>
</tr>
<tr>
<td>Portugal</td>
<td>12,744</td>
<td>(13,463)</td>
<td>(719)</td>
<td>36</td>
</tr>
<tr>
<td>Spain</td>
<td>35,267</td>
<td>(35,416)</td>
<td>(149)</td>
<td>68</td>
</tr>
<tr>
<td>Total</td>
<td>127,388</td>
<td>(128,829)</td>
<td>(1,441)</td>
<td>112</td>
</tr>
</tbody>
</table>
In line with common industry practice, we use credit default swaps (CDS) as one important instrument to manage credit risk in order to avoid any undue concentrations in the credit portfolio. CDS contracts are governed by standard ISDA documentation which defines trigger events which result in settlement payouts. Examples of these triggers include bankruptcy of the reference entity, failure of reference entity to meeting contractual obligations (e.g., interest or principal repayment) and debt restructuring of the reference entity. These triggers also apply to credit default protection contracts sold. Our purchased credit default swap protection acting as a risk mitigant is predominantly issued by highly rated financial institutions governed under collateral agreements.

While we clearly focus on net risk including hedging/collateral we also very intensively review our gross positions before any CDS hedging in reflection of the potential risk that a CDS trigger event does not occur as expected.

The exposures associated with these countries noted above are managed and monitored using the credit process explained within the credit risk section of this Risk Report including detailed counterparty ratings, ongoing counterparty monitoring as well as our framework for managing concentration risk as documented within our country risk and industry risk sections as outlined above. This framework is complemented by regular management reporting including targeted portfolio reviews of these countries, portfolio de-risking initiatives and stress testing.

For credit protection purposes we strive to avoid any maturity mismatches. However, this depends on the availability of required hedging instruments in the market. Where maturity mismatches cannot be avoided, these positions are tightly monitored. We take into account the sensitivities of hedging instrument and underlying asset to neutralize the maturity mismatch.

The stress tests we conducted were mainly focused on assessing potential sensitivities in terms of credit, market and liquidity risk in the case of extreme shock events such as a disorderly exit of a eurozone member. These included indirect exposures and assessed the impact of revaluation events and contagion effects on certain portfolios outside Greece, Ireland, Italy, Portugal and Spain (the GIIPS countries) deemed most likely to be indirectly affected by an escalation in the eurozone crisis. In addition, assessments of the potential indirect impact of such an escalation were carried out on collateral values.

The key input parameters included within these stress tests were based on a number of market-related assumptions, including ones relating to GDP, FX, interest rates and fluctuations in the capital markets. These assumptions were provided by our internal macro-economic department, "Deutsche Bank research". The stress scenarios were discussed with and signed-off by our Stress Test Oversight Committee, which is the central governance committee dealing with the Banks Group Wide Stress Test. Key outputs from these stress tests included credit-relevant metrics, and the stress tests were designed to assess P&L, capital and liquidity implications for the Bank. These outputs were taken into consideration in defining the required risk-mitigating actions.

Our internal risk controls have been further enhanced through the establishment of a governance framework intended to enable adequate preparation for and an ability to manage euro crisis events in terms of risk mitigation and operational contingency measures. This includes a holistic impact analysis based on the above-mentioned scenarios, including the domino impact of a worsening crisis, potential revaluations of new currencies in a "euro exit" of specific countries, regular evaluation of redenomination risk and assessment of product, contractual and jurisdictional specifics in close cooperation with our legal department. However, significant uncertainties still remain in evaluating these risks, in particular redenomination risk where it is highly uncertain which assets and liabilities would be impacted and the scale of any losses which would result. Key considerations include (i) the governing law of the relevant obligation; (ii) the location of performance; (iii) whether or not counterparties default and (iv) the scale of the devaluation of the new currency.
The above mentioned financial impact analyses are complimented by operational contingency measures that assess the Bank’s crisis management capabilities (roadmap to respond to a crisis event) as well as operational readiness such as the introduction of a new currency into the system environment.

Overall, we have actively managed our exposures to GIIPS countries since the early stages of the debt crisis and believe our credit portfolio to be well-positioned following selective early de-risking focused on sovereign risk and weaker counterparties.

We have internally analyzed the Bank’s potential redenomination and revaluation risk to selected eurozone countries under several different assumptions with the total volume of assets and liabilities at risk varying significantly depending on which assumptions are made. We believe that a quantification of redenomination and revaluation risk would need to be interpreted within the context of each individual risk assessment, based on the internal assumptions we made, but for which we have no ability to predict whether they are more or less likely to occur. As a result, we believe that quantification would not provide meaningful information for the reader.

**Sovereign Credit Risk Exposure to Certain Eurozone Countries**

Following the October 26, 2011 Euro Summit Statement and the February 21, 2012 Eurogroup Statement, on February 24, 2012 the Greek government made an invitation to private sector holders of bonds issued or guaranteed by the Greek government to participate in a debt exchange offer and/or consent solicitations, referred to as the Private Sector Involvement (“PSI”). The bonds invited to participate in the PSI had an aggregate outstanding face amount of approximately € 206 billion. The debt exchange offer and consent solicitations were aimed at maximizing the PSI in the overall support package being offered to Greece, in conjunction with the support provided by the official sector (IMF, EU, ECB), thereby mitigating the likelihood of Greece defaulting on its obligations.

In March 2012, we participated in the exchange offer and consent solicitations with all our Greek Government Bonds (“GGB”) eligible in this respect. Under the PSI, GGB holders received in exchange for their GGBs (i) new bonds issued by the Greek government having a face amount equal to 31.5 % of the face amount of their exchanged bonds, (ii) European Financial Stability Facility (“EFSF”) notes with a maturity of two years or less having a face amount of 15 % of the face amount of their exchanged bonds and (iii) detachable securities linked to Greece’s gross domestic product issued by the Greek government having a notional amount equal to the face amount of each holder’s new bonds. The Greek government also delivered short-term EFSF notes to discharge all unpaid interest accrued up to February 24, 2012 on exchanged bonds.

The bonds that we tendered in the debt exchange were derecognized and the new instruments recognized at fair value classified as either financial assets available for sale or at fair value through profit or loss.

The information provided below on our sovereign credit risk exposure to certain eurozone Countries includes, in the figures as of December 31, 2012, the Greek government bonds received as part of the rescheduling.
The above shown amounts reflect a net country of domicile view of our sovereign exposure. With the exception of Greece, the increase compared to year-end 2011 mainly reflects market making activities as well as fair value changes from market price movements occurring within 2012. The exposure decrease to Greece reflects our participation in the aforementioned debt exchange.

The above mentioned direct sovereign exposure included the carrying value of loans held at amortized cost to sovereigns which, as of December 31, 2012, amounted to € 797 million for Italy and € 591 million for Spain and, as of December 31, 2011 amounted to € 546 million for Italy and € 752 million for Spain.

Fair value of sovereign credit risk exposure to certain eurozone countries classified as financial assets at fair value through profit or loss

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th></th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Net Notional of</td>
<td>Memo Item:</td>
</tr>
<tr>
<td></td>
<td>Sovereign</td>
<td>CDS referencing</td>
<td>Net sovereign</td>
</tr>
<tr>
<td></td>
<td>exposure</td>
<td>sovereign debt</td>
<td>exposure</td>
</tr>
<tr>
<td></td>
<td>in € m.</td>
<td>Net sovereign</td>
<td>Net fair value</td>
</tr>
<tr>
<td></td>
<td></td>
<td>exposure</td>
<td>of CDS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>referencing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>sovereign</td>
</tr>
<tr>
<td>Greece</td>
<td>39</td>
<td>–</td>
<td>39</td>
</tr>
<tr>
<td>Ireland</td>
<td>355</td>
<td>45</td>
<td>400</td>
</tr>
<tr>
<td>Italy</td>
<td>847</td>
<td>2,122</td>
<td>2,969</td>
</tr>
<tr>
<td>Portugal</td>
<td>258</td>
<td>(105)</td>
<td>153</td>
</tr>
<tr>
<td>Spain</td>
<td>1,544</td>
<td>115</td>
<td>1,659</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,043</strong></td>
<td><strong>2,177</strong></td>
<td><strong>5,220</strong></td>
</tr>
</tbody>
</table>

1 Includes debt classified as financial assets/liabilities at fair value through profit or loss, available for sale and loans carried at amortized cost.
2 The amounts reflect the net fair value (i.e., counterparty credit risk) in relation to credit default swaps referencing sovereign debt of the respective country.

Fair value of sovereign credit risk exposure to certain eurozone countries classified as financial assets available for sale

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th></th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Original carrying</td>
<td>Accumulated</td>
</tr>
<tr>
<td></td>
<td>Sovereign</td>
<td>amount</td>
<td>impairment losses</td>
</tr>
<tr>
<td></td>
<td>exposure</td>
<td></td>
<td>recognized in net income (after tax)</td>
</tr>
<tr>
<td></td>
<td>in € m.</td>
<td></td>
<td>Direct</td>
</tr>
<tr>
<td>Greece</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Ireland</td>
<td>–</td>
<td>300</td>
<td>213</td>
</tr>
<tr>
<td>Italy</td>
<td>–</td>
<td>741</td>
<td>720</td>
</tr>
<tr>
<td>Portugal</td>
<td>48</td>
<td>46</td>
<td>–</td>
</tr>
<tr>
<td>Spain</td>
<td>201</td>
<td>194</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,290</strong></td>
<td><strong>1,173</strong></td>
<td>–</td>
</tr>
</tbody>
</table>

1 Includes the impact of master netting and collateral arrangements.
2 Short sovereign debt position for Italy predominantly related to structured trades with corresponding credit derivatives offset.
Credit Exposure from Lending

Our lending businesses are subject to credit risk management processes, both at origination and on an ongoing basis. An overview of these processes is described in the credit risk section of this Risk Report.

Loan book categories segregated into a lower, medium and higher risk bucket

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Total</th>
<th>thereof:</th>
<th>Non-Core</th>
<th>Total</th>
<th>thereof:</th>
<th>Non-Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower risk bucket:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PBC Mortgages</td>
<td>151,078</td>
<td>8,579</td>
<td>145,511</td>
<td>9,457</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment-Grade/German Mid-Cap</td>
<td>42,906</td>
<td>3,356</td>
<td>49,657</td>
<td>3,986</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GTB</td>
<td>58,882</td>
<td>-</td>
<td>57,786</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PBC small corporates</td>
<td>18,745</td>
<td>1,833</td>
<td>19,116</td>
<td>1,146</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government collateralized/structured transactions</td>
<td>1,149</td>
<td>-</td>
<td>3,615</td>
<td>2,450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Investments</td>
<td>2,464</td>
<td>2,464</td>
<td>6,707</td>
<td>6,707</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total lower risk bucket</td>
<td>305,890</td>
<td>17,338</td>
<td>311,314</td>
<td>24,940</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderate risk bucket:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PBC Consumer Finance</td>
<td>20,316</td>
<td>1,303</td>
<td>18,996</td>
<td>1,266</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Finance (Deutsche Bank sponsored conduits)</td>
<td>14,786</td>
<td>6,395</td>
<td>17,651</td>
<td>8,365</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateralized hedged structured transactions</td>
<td>13,176</td>
<td>3,642</td>
<td>15,012</td>
<td>5,136</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing of pipeline assets</td>
<td>4,312</td>
<td>1,316</td>
<td>6,619</td>
<td>1,639</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total moderate risk bucket</td>
<td>52,590</td>
<td>12,656</td>
<td>58,278</td>
<td>16,406</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher risk bucket:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Real Estate</td>
<td>27,285</td>
<td>14,784</td>
<td>28,398</td>
<td>16,473</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leveraged Finance</td>
<td>5,095</td>
<td>744</td>
<td>5,019</td>
<td>1,318</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>11,115</td>
<td>4,336</td>
<td>13,667</td>
<td>5,984</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total higher risk bucket</td>
<td>43,495</td>
<td>19,864</td>
<td>47,084</td>
<td>23,375</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total loan book</td>
<td>401,975</td>
<td>49,858</td>
<td>416,676</td>
<td>64,721</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Amounts for December 31, 2011 reflect the new business division structure established in 2012.
2 Thereof vendor financing on loans sold in Leveraged Finance amounting to € 3.0 billion and in Commercial Real Estate amounting to € 1.3 billion as of December 31, 2012 (€ 5.0 billion and € 1.6 billion as of December 31, 2011, respectively).
3 Includes loans from CMBS securitizations.
4 Loans mainly relate to CPSG.
5 Includes other smaller loans predominately in our CB&S business division.

The majority of our low risk exposures is associated with our PBC retail banking activities. 76 % of our loan book at December 31, 2012 was in the low risk category, broadly in line with the prior year end.

Our higher risk bucket predominantly relates to commercial real estate exposures. Our credit risk management approach puts strong emphasis specifically on the portfolios we deem to be of higher risk. Portfolio strategies and credit monitoring controls are in place for these portfolios. The overall commercial real estate exposures decreased by € 1.1 billion at December 31, 2012.

Impaired loans and allowance for loan losses for our higher-risk loan bucket

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Total</th>
<th>thereof:</th>
<th>Non-Core</th>
<th>Total</th>
<th>thereof:</th>
<th>Non-Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Real Estate</td>
<td>2,065</td>
<td>554</td>
<td>1,318</td>
<td>353</td>
<td>2,225</td>
<td>360</td>
</tr>
<tr>
<td>Leveraged Finance</td>
<td>64</td>
<td>81</td>
<td>4</td>
<td>3</td>
<td>158</td>
<td>148</td>
</tr>
<tr>
<td>Other</td>
<td>576</td>
<td>160</td>
<td>539</td>
<td>134</td>
<td>626</td>
<td>180</td>
</tr>
<tr>
<td>Total</td>
<td>2,705</td>
<td>795</td>
<td>1,861</td>
<td>490</td>
<td>3,009</td>
<td>688</td>
</tr>
</tbody>
</table>

1 Amounts for December 31, 2011 reflect the new business division structure established in 2012. 2011 numbers adjusted.
The above decrease in impaired loans in our higher risk loan bucket was driven by a reduction in larger commercial real estate loans in relation to Postbank which only had small impairment charges due to fair value adjustments at consolidation.

The increase in allowance for loan losses with regard to commercial real estate was primarily caused by increased provisions for existing impaired loans in relation to Postbank.

**Credit Exposure Classification**

We also classify our credit exposure under two broad headings: consumer credit exposure and corporate credit exposure.

— Our consumer credit exposure consists of our smaller-balance standardized homogeneous loans, primarily in Germany, Italy and Spain, which include personal loans, residential and nonresidential mortgage loans, overdrafts and loans to self-employed and small business customers of our private and retail business.

— Our corporate credit exposure consists of all exposures not defined as consumer credit exposure.

**Corporate Credit Exposure**

Main corporate credit exposure categories according to our internal creditworthiness categories of our counterparties.

<table>
<thead>
<tr>
<th>Ratingband</th>
<th>Probability of default</th>
<th>Loans $^1$</th>
<th>Irrevocable lending commitments $^2$</th>
<th>Contingent liabilities</th>
<th>OTC derivatives $^3$</th>
<th>Debt securities available for sale</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>iAAA-iAA</td>
<td>0.00-0.04 %</td>
<td>48,992</td>
<td>20,233</td>
<td>9,064</td>
<td>23,043</td>
<td>30,054</td>
<td>131,366</td>
</tr>
<tr>
<td>iA</td>
<td>0.04-0.11 %</td>
<td>43,047</td>
<td>37,456</td>
<td>19,192</td>
<td>22,308</td>
<td>8,186</td>
<td>130,189</td>
</tr>
<tr>
<td>BBB</td>
<td>0.11-0.5 %</td>
<td>53,804</td>
<td>37,754</td>
<td>21,304</td>
<td>7,713</td>
<td>3,788</td>
<td>124,363</td>
</tr>
<tr>
<td>BB</td>
<td>0.5-2.27 %</td>
<td>45,326</td>
<td>22,631</td>
<td>11,460</td>
<td>5,778</td>
<td>1,749</td>
<td>86,944</td>
</tr>
<tr>
<td>BB</td>
<td>2.27-10.22 %</td>
<td>17,739</td>
<td>10,068</td>
<td>4,886</td>
<td>2,415</td>
<td>227</td>
<td>35,335</td>
</tr>
<tr>
<td>CCC and below</td>
<td>10.22-100 %</td>
<td>13,062</td>
<td>1,515</td>
<td>2,455</td>
<td>1,187</td>
<td>151</td>
<td>18,370</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>221,970</td>
<td>129,657</td>
<td>68,361</td>
<td>62,444</td>
<td>44,155</td>
<td>526,587</td>
</tr>
</tbody>
</table>

1 Includes impaired loans mainly in category CCC and below amounting to € 6.1 billion as of December 31, 2012.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.4 billion as of December 31, 2012.
3 Includes the effect of netting agreements and cash collateral received where applicable.

<table>
<thead>
<tr>
<th>Ratingband</th>
<th>Probability of default</th>
<th>Loans $^1$</th>
<th>Irrevocable lending commitments $^2$</th>
<th>Contingent liabilities</th>
<th>OTC derivatives $^3$</th>
<th>Debt securities available for sale</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>iAAA-iAA</td>
<td>0.00-0.04 %</td>
<td>51,321</td>
<td>21,152</td>
<td>6,535</td>
<td>37,569</td>
<td>22,753</td>
<td>139,330</td>
</tr>
<tr>
<td>iA</td>
<td>0.04-0.11 %</td>
<td>45,085</td>
<td>37,894</td>
<td>24,410</td>
<td>17,039</td>
<td>8,581</td>
<td>133,009</td>
</tr>
<tr>
<td>BBB</td>
<td>0.11-0.5 %</td>
<td>59,496</td>
<td>36,659</td>
<td>21,002</td>
<td>12,899</td>
<td>5,109</td>
<td>135,165</td>
</tr>
<tr>
<td>BB</td>
<td>0.5-2.27 %</td>
<td>50,236</td>
<td>21,067</td>
<td>13,986</td>
<td>7,478</td>
<td>2,303</td>
<td>95,071</td>
</tr>
<tr>
<td>BB</td>
<td>2.27-10.22 %</td>
<td>17,650</td>
<td>9,152</td>
<td>6,051</td>
<td>3,007</td>
<td>263</td>
<td>36,123</td>
</tr>
<tr>
<td>CCC and below</td>
<td>10.22-100 %</td>
<td>18,148</td>
<td>2,071</td>
<td>1,669</td>
<td>371</td>
<td>143</td>
<td>23,891</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>241,936</td>
<td>127,995</td>
<td>73,653</td>
<td>79,624</td>
<td>39,381</td>
<td>562,589</td>
</tr>
</tbody>
</table>

1 Includes impaired loans mainly in category CCC and below amounting to € 6.3 billion as of December 31, 2011.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 9.2 billion as of December 31, 2011.
3 Includes the effect of netting agreements and cash collateral received where applicable.

Our corporate credit exposure has declined by 6 % since December 31, 2011 to € 526.6 billion. Reductions have been primarily recorded for Loans (€ 20.0 billion) and OTC derivatives (€ 17.2 billion). Overall, the quality of corporate credit exposure has improved with 73 % rated investment grade compared to 72 % as of December 31, 2011. The loan exposure shown in the table above does not take into account any collateral, other credit enhancement or credit risk mitigating transactions. After consideration of such credit mitigants, we believe that our loan book is well-diversified. The decrease in our OTC derivatives exposure, primarily took place in relation to investment grade counterparties. The OTC derivatives exposure does not include credit risk mitigants (other than master agreement netting) or collateral (other than cash). Taking these mitigants into
account, the remaining current credit exposure was significantly lower, adequately structured, enhanced or well-diversified and geared towards investment grade counterparties. The increase in our debt securities available for sale exposure in comparison to December 31, 2011 is mainly to the strongest counterparties in the rating band iAAA-iAA.

Risk Mitigation for the Corporate Credit Exposure
Our Credit Portfolio Strategies Group ("CPSG") helps mitigate the risk of our corporate credit exposures. The notional amount of CPSG’s risk reduction activities decreased by 17 % from € 55.3 billion as of December 31, 2011, to € 45.7 billion as of December 31, 2012, due to a decrease in the notional of loans requiring hedging and a reduction in hedges used to manage market risk.

As of year-end 2012, CPSG held credit derivatives with an underlying notional amount of € 27.9 billion. The position totaled € 37.6 billion as of December 31, 2011. The credit derivatives used for our portfolio management activities are accounted for at fair value.

CPSG also mitigated the credit risk of € 17.8 billion of loans and lending-related commitments as of December 31, 2012, through synthetic collateralized loan obligations supported predominantly by financial guarantees and, to a lesser extent, credit derivatives for which the first loss piece has been sold. This position totaled € 17.7 billion as of December 31, 2011.

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 € 40.0 billion as of December 31, 2012, from € 48.3 billion as of December 31, 2011. By reporting loans and commitments at fair value, CPSG has significantly reduced profit and loss volatility that resulted from the accounting mismatch that existed when all loans and commitments were reported at amortized cost while derivative hedges are reported at fair value.

Consumer Credit Exposure
In our consumer credit exposure we monitor 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.

<table>
<thead>
<tr>
<th>Consumer credit exposure, consumer loan delinquencies and net credit costs</th>
<th>Total exposure in € m.</th>
<th>90 days or more past due as a % of total exposure</th>
<th>Net credit costs as a % of total exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer credit exposure Germany:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer and small business financing</td>
<td>139,939</td>
<td>135,069</td>
<td>0.84 %</td>
</tr>
<tr>
<td>Mortgage lending</td>
<td>20,137</td>
<td>19,805</td>
<td>1.20 %</td>
</tr>
<tr>
<td>Consumer credit exposure outside Germany</td>
<td>119,802</td>
<td>115,264</td>
<td>0.78 %</td>
</tr>
<tr>
<td>Consumer and small business financing</td>
<td>40,065</td>
<td>39,672</td>
<td>4.58 %</td>
</tr>
<tr>
<td>Mortgage lending</td>
<td>13,448</td>
<td>13,878</td>
<td>9.01 %</td>
</tr>
<tr>
<td>Total consumer credit exposure</td>
<td>2 180,004</td>
<td>174,741</td>
<td>1.67 %</td>
</tr>
</tbody>
</table>

1 Releases of allowances for credit losses established by consolidated entities prior to their consolidation are not included in the ratio until December 31, 2011 but recorded through net interest income (for detailed description see next section “Impairment Loss and Allowances for Loan Losses”). Taking such amounts into account, the net credit costs as a percentage of total exposure would have amounted to 0.42 % as of December 31, 2011. In 2012 releases of our consolidated entities are included in the net credit costs.

2 Includes impaired loans amounting to € 4.2 billion as of December 31, 2012 and € 3.8 billion as of December 31, 2011.

The volume of our total consumer credit exposure increased by € 5.3 billion, or 3.0 %, from year-end 2011 to December 31, 2012. Postbank contributed a net exposure increase of € 1.0 billion, or 1.3 %, mainly originated in Germany. The volume excluding Postbank rose by € 4.3 billion, or 4.4 %, mainly driven by our mortgage lending activities in Germany (up € 4.1 billion). As part of our growth strategy the consumer credit exposure increased in Poland, mainly mortgage lending, by € 725 million and in India by € 174 million. The volume in Spain decreased by € 440 million and in Portugal by € 108 million following our ongoing de-risking strategy.
The 90 days or more past due ratio in Germany declined in 2012 driven mainly by a sale of non-performing loans, in addition to benefiting from the favourable economic environment. Apart from the economic development in the rest of Europe the increase in the ratio outside Germany is mainly driven by changes in the charge-off criteria for certain portfolios in 2009. Loans, which were previously fully charged-off upon reaching 270 days past due (180 days past due for credit cards), are now provisioned based on the level of historical loss rates, which are derived from observed recoveries of formerly charged off similar loans. This leads to an increase in 90 days or more past due exposure as the change increased the time until the respective loans are completely charged-off. Assuming no change in the underlying credit performance, the effect will continue to increase the ratio until the portfolio has reached a steady state, which is expected approximately 5 years after the change.

The reduction of net credit costs as a percentage of total exposure is mainly driven by the aforementioned sale of nonperforming loans, but also due to the favourable economic developments in the German market.

Consumer mortgage lending exposure grouped by loan-to-value buckets

<table>
<thead>
<tr>
<th>LTV Bucket</th>
<th>Dec 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 50 %</td>
<td>71 %</td>
</tr>
<tr>
<td>&gt; 50 ≤ 70 %</td>
<td>16 %</td>
</tr>
<tr>
<td>&gt; 70 ≤ 90 %</td>
<td>8 %</td>
</tr>
<tr>
<td>&gt; 90 ≤ 100 %</td>
<td>2 %</td>
</tr>
<tr>
<td>&gt; 100 ≤ 110 %</td>
<td>1 %</td>
</tr>
<tr>
<td>&gt; 110 ≤ 130 %</td>
<td>1 %</td>
</tr>
<tr>
<td>&gt; 130 %</td>
<td>1 %</td>
</tr>
</tbody>
</table>

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.

Our 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 our risk management when originating loans and when monitoring and steering our credit risks. In general, we are 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, 2012, 71 % of our exposure related to the mortgage lending portfolio had a LTV ratio below or equal to 50 %.

Credit Exposure from Derivatives

Exchange-traded derivative transactions (e.g., futures and options) are regularly settled through a central counterparty, 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, we also use central counterparty clearing services for OTC derivative transactions (“OTC clearing”); we thereby benefit from the credit risk mitigation achieved through the central counterparty’s settlement system.
Both the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DFA") and the European Regulation (EU) No 548/2012 on OTC Derivatives, Central Counterparties and Trade Repositories ("EMIR") will introduce mandatory OTC Clearing for standardized OTC derivative transactions as well as margin requirements for uncleared OTC derivative transaction. The implementation of DFA and EMIR will further increase our use of credit risk mitigation.

The notional amount of OTC derivatives settled through central counterparties amounted to € 10.0 trillion as of December 31, 2012, and to € 10.8 trillion as of December 31, 2011.

### Notional amounts and gross market values of derivative transactions

<table>
<thead>
<tr>
<th>Dec 31, 2012</th>
<th>Notional amount maturity distribution</th>
<th>Positive market value</th>
<th>Negative market value</th>
<th>Net market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>Within 1 year</td>
<td>1 and ≤ 5 years</td>
<td>After 5 years</td>
<td>Total</td>
</tr>
<tr>
<td><strong>Interest rate related:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>15,419,788</td>
<td>15,366,636</td>
<td>10,478,308</td>
<td>41,264,732</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>2,899,159</td>
<td>1,169,563</td>
<td>4,114</td>
<td>4,072,836</td>
</tr>
<tr>
<td>Total Interest rate related</td>
<td>18,318,947</td>
<td>16,536,199</td>
<td>10,482,422</td>
<td>45,337,568</td>
</tr>
<tr>
<td><strong>Currency related:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>4,290,214</td>
<td>1,188,952</td>
<td>428,949</td>
<td>5,908,115</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>19,381</td>
<td>470</td>
<td>-</td>
<td>19,851</td>
</tr>
<tr>
<td>Total Currency related</td>
<td>4,309,595</td>
<td>1,189,422</td>
<td>428,949</td>
<td>5,927,966</td>
</tr>
<tr>
<td><strong>Equity/index related:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>329,531</td>
<td>261,697</td>
<td>79,088</td>
<td>670,316</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>417,334</td>
<td>114,654</td>
<td>3,653</td>
<td>535,641</td>
</tr>
<tr>
<td>Total Equity/index related</td>
<td>746,865</td>
<td>376,351</td>
<td>82,741</td>
<td>1,205,957</td>
</tr>
<tr>
<td><strong>Credit derivatives</strong></td>
<td>499,717</td>
<td>1,914,989</td>
<td>207,623</td>
<td>2,622,329</td>
</tr>
<tr>
<td><strong>Commodity related:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>45,284</td>
<td>56,194</td>
<td>5,417</td>
<td>106,895</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>194,470</td>
<td>107,099</td>
<td>1,659</td>
<td>303,228</td>
</tr>
<tr>
<td>Total Commodity related</td>
<td>239,754</td>
<td>163,293</td>
<td>7,076</td>
<td>410,123</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>62,890</td>
<td>23,991</td>
<td>399</td>
<td>87,280</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>12,533</td>
<td>1,278</td>
<td>5</td>
<td>13,816</td>
</tr>
<tr>
<td>Total Other</td>
<td>75,423</td>
<td>25,269</td>
<td>404</td>
<td>101,096</td>
</tr>
<tr>
<td><strong>Total OTC business</strong></td>
<td>20,647,424</td>
<td>16,812,459</td>
<td>11,199,784</td>
<td>50,659,667</td>
</tr>
<tr>
<td><strong>Total exchange-traded business</strong></td>
<td>3,542,877</td>
<td>1,393,064</td>
<td>9,431</td>
<td>4,945,372</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,190,301</td>
<td>20,205,523</td>
<td>11,209,215</td>
<td>55,605,039</td>
</tr>
</tbody>
</table>

Positive market values after netting and cash collateral received | - | - | - | 70,054 | - | - |
<table>
<thead>
<tr>
<th>in € m.</th>
<th>Within 1 year</th>
<th>&gt; 1 and ≤ 5 years</th>
<th>After 5 years</th>
<th>Total</th>
<th>Positive market value</th>
<th>Negative market value</th>
<th>Net market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate related:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>17,946,681</td>
<td>17,283,349</td>
<td>12,014,092</td>
<td>47,249,122</td>
<td>595,127</td>
<td>574,791</td>
<td>20,336</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>635,771</td>
<td>179,024</td>
<td>6,282</td>
<td>821,077</td>
<td>101</td>
<td>50</td>
<td>51</td>
</tr>
<tr>
<td>Total Interest rate related</td>
<td>18,582,452</td>
<td>17,467,373</td>
<td>12,020,374</td>
<td>48,070,199</td>
<td>595,228</td>
<td>574,841</td>
<td>20,387</td>
</tr>
<tr>
<td>Currency related:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>4,357,876</td>
<td>1,201,265</td>
<td>91,049</td>
<td>5,950,180</td>
<td>112,784</td>
<td>116,158</td>
<td>(3,234)</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>7,521</td>
<td>663</td>
<td>7</td>
<td>8,201</td>
<td>140</td>
<td>24</td>
<td>116</td>
</tr>
<tr>
<td>Total Currency related</td>
<td>4,365,397</td>
<td>1,201,928</td>
<td>91,056</td>
<td>5,960,335</td>
<td>112,924</td>
<td>116,182</td>
<td>(3,234)</td>
</tr>
<tr>
<td>Equity/index related:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>294,563</td>
<td>334,739</td>
<td>415,234</td>
<td>5,974,375</td>
<td>29,682</td>
<td>35,686</td>
<td>(6,004)</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>206,953</td>
<td>71,092</td>
<td>2,310</td>
<td>280,357</td>
<td>7,764</td>
<td>2,000</td>
<td>5,784</td>
</tr>
<tr>
<td>Total Equity/index related</td>
<td>501,516</td>
<td>405,831</td>
<td>417,544</td>
<td>5,982,566</td>
<td>35,446</td>
<td>37,686</td>
<td>(2,240)</td>
</tr>
<tr>
<td>Credit derivatives</td>
<td>673,814</td>
<td>2,473,620</td>
<td>537,723</td>
<td>3,685,157</td>
<td>101,115</td>
<td>92,988</td>
<td>8,127</td>
</tr>
<tr>
<td>Commodity related:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>84,681</td>
<td>112,629</td>
<td>4,687</td>
<td>201,997</td>
<td>13,949</td>
<td>14,077</td>
<td>(128)</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>72,321</td>
<td>42,353</td>
<td>673</td>
<td>115,347</td>
<td>2,718</td>
<td>2,636</td>
<td>82</td>
</tr>
<tr>
<td>Total Commodity related</td>
<td>157,002</td>
<td>154,982</td>
<td>5,360</td>
<td>317,344</td>
<td>15,667</td>
<td>16,713</td>
<td>(46)</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTC</td>
<td>77,574</td>
<td>38,746</td>
<td>2,956</td>
<td>119,276</td>
<td>5,516</td>
<td>4,895</td>
<td>621</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>19,704</td>
<td>2,781</td>
<td>22</td>
<td>22,507</td>
<td>247</td>
<td>324</td>
<td>(77)</td>
</tr>
<tr>
<td>Total Other</td>
<td>97,278</td>
<td>41,527</td>
<td>3,178</td>
<td>141,343</td>
<td>5,764</td>
<td>5,219</td>
<td>444</td>
</tr>
<tr>
<td>Total OTC business</td>
<td>23,435,189</td>
<td>21,449,348</td>
<td>13,063,431</td>
<td>57,947,968</td>
<td>858,173</td>
<td>838,571</td>
<td>19,602</td>
</tr>
<tr>
<td>Total exchange-traded business</td>
<td>632,270</td>
<td>295,913</td>
<td>9,294</td>
<td>1,247,477</td>
<td>8,970</td>
<td>5,033</td>
<td>3,937</td>
</tr>
<tr>
<td>Total</td>
<td>24,377,459</td>
<td>21,745,261</td>
<td>13,072,725</td>
<td>59,195,445</td>
<td>867,143</td>
<td>843,604</td>
<td>23,539</td>
</tr>
<tr>
<td>Positive market values after netting and cash collateral received</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The following two tables present specific disclosures in relation to Pillar 3. Per regulation it is not required to audit Pillar 3 disclosures.

Positive market values or replacement costs of derivative transactions (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive market values before netting and collateral agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netting agreements</td>
<td>Eligible collateral</td>
<td>Netting agreements</td>
</tr>
<tr>
<td>Positive market values after netting and collateral agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate related</td>
<td>578,128</td>
<td>61,838</td>
</tr>
<tr>
<td>Currency related</td>
<td>93,797</td>
<td>8,091</td>
</tr>
<tr>
<td>Equity/index related</td>
<td>29,621</td>
<td>2,061</td>
</tr>
<tr>
<td>Credit derivatives</td>
<td>69,285</td>
<td>6,259</td>
</tr>
<tr>
<td>Commodity related</td>
<td>14,701</td>
<td>649</td>
</tr>
<tr>
<td>Other</td>
<td>2,783</td>
<td>392</td>
</tr>
<tr>
<td>Total</td>
<td>768,315</td>
<td>71,403</td>
</tr>
</tbody>
</table>

1 Excludes for derivatives reported as other assets for December 31, 2012, and December 31, 2011, respectively, € 8.4 billion (€ 7.6 billion) positive market values before netting and collateral or € 791 million (€ 612 million) positive market values after netting and collateral.
2 Includes € 66.5 billion cash collateral and € 9 billion non-cash collateral as of December 31, 2012, and € 61.1 billion cash collateral and € 10.7 billion non-cash collateral as of December 31, 2011.

The above table shows the positive market values after netting and collateral, which represent only 8% of the total IFRS positive market values. Apart from master netting agreements, we have entered into various types of collateral agreements (such as “CSAs” to master agreements), with the vast majority being bilateral.
### Nominal volumes of credit derivative exposure (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Used for own credit portfolio</td>
<td>Acting as intermediary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Protection bought</td>
<td>Protection sold</td>
<td>Protection bought</td>
<td>Protection sold</td>
<td>Total¹</td>
</tr>
<tr>
<td>Credit default swaps – single name</td>
<td>38,885</td>
<td>650</td>
<td>779,669</td>
<td>758,427</td>
<td>1,577,631</td>
</tr>
<tr>
<td>Credit default swaps – multi name</td>
<td>9,209</td>
<td>168</td>
<td>512,299</td>
<td>509,832</td>
<td>1,031,508</td>
</tr>
<tr>
<td>Total return swaps</td>
<td>919</td>
<td>1,759</td>
<td>6,388</td>
<td>4,124</td>
<td>13,190</td>
</tr>
<tr>
<td>Total notional amount of credit derivatives</td>
<td>49,013</td>
<td>2,577</td>
<td>1,298,356</td>
<td>1,272,383</td>
<td>2,622,329</td>
</tr>
</tbody>
</table>

¹ Includes credit default swaps on indices and nth-to-default credit default swaps.

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2011</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Used for own credit portfolio</td>
<td>Acting as intermediary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Protection bought</td>
<td>Protection sold</td>
<td>Protection bought</td>
<td>Protection sold</td>
<td>Total¹</td>
</tr>
<tr>
<td>Credit default swaps – single name</td>
<td>48,085</td>
<td>844</td>
<td>1,017,110</td>
<td>999,112</td>
<td>2,065,151</td>
</tr>
<tr>
<td>Credit default swaps – multi name</td>
<td>604</td>
<td>55</td>
<td>782,384</td>
<td>824,100</td>
<td>1,607,143</td>
</tr>
<tr>
<td>Total return swaps</td>
<td>454</td>
<td>927</td>
<td>6,416</td>
<td>5,066</td>
<td>12,863</td>
</tr>
<tr>
<td>Total notional amount of credit derivatives</td>
<td>49,143</td>
<td>1,826</td>
<td>1,805,910</td>
<td>1,828,278</td>
<td>3,685,157</td>
</tr>
</tbody>
</table>

¹ Includes credit default swaps on indices and nth-to-default credit default swaps.

The tables split the exposure into the part held in the regulatory banking book, which is shown under the heading “used for own credit portfolio” and the part held in the regulatory trading book, referred to as “acting as intermediary”. The decrease in credit derivatives is primarily related to trade compression, de-risking activities and reduced volumes in the credit derivatives market.

As the replacement values of derivatives portfolios fluctuate with movements in market rates and with changes in the transactions in the portfolios, we also estimate the potential future replacement costs of the portfolios over their lifetimes or, in case of collateralized portfolios, over appropriate unwind periods. We measure the potential future exposure against separate limits. We supplement the potential future exposure analysis with stress tests to estimate the immediate impact of extreme market events on our exposures (such as event risk in our Emerging Markets portfolio).

The potential future exposure measure which we use is generally given by a time profile of simulated positive market values of each counterparty’s derivatives portfolio, for which netting and collateralization are considered. For limit monitoring we employ the 95th quantile of the resulting distribution of market values, internally referred to as potential future exposure (“PFE”). The average exposure profiles generated by the same calculation process are used to derive the so-called average expected exposure (“AEE”) measure, which we use to reflect expected future replacement costs within our credit risk economic capital, and the expected positive exposure (“EPE”) measure driving our regulatory capital requirements. While AEE and EPE are generally calculated with respect to a time horizon of one year, the PFE is measured over the entire lifetime of a transaction or netting set for uncollateralized portfolios and over an appropriate unwind period for collateralized portfolios, respectively. We also employ the aforementioned calculation process to derive stressed exposure results for input into our credit portfolio stress testing.

The PFE profile of each counterparty is compared daily to a PFE limit profile set by the responsible credit officer. PFE limits are integral part of the overall counterparty credit exposure management in line with other limit types. Breaches of PFE limits at any one profile time point are highlighted for action within our credit risk management process. The EPE is directly used in the customer level calculation of the IRBA regulatory capital under the so-called internal model method (“IMM”), whereas AEE feeds as a loan equivalent into the Group’s credit portfolio model where it is combined with all other exposure to a counterparty within the respective simulation and allocation process (see Chapter “Monitoring Credit Risk”).
Credit Exposure from Nonderivative Trading Assets

Composition of nonderivative trading assets

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government paper &amp; agencies</td>
<td>94,597</td>
<td>95,336</td>
</tr>
<tr>
<td>Financial institutions &amp; corporates</td>
<td>53,994</td>
<td>56,442</td>
</tr>
<tr>
<td>Equities</td>
<td>65,457</td>
<td>59,754</td>
</tr>
<tr>
<td>Traded loans</td>
<td>18,152</td>
<td>18,039</td>
</tr>
<tr>
<td>Other</td>
<td>13,338</td>
<td>11,353</td>
</tr>
<tr>
<td>Total nonderivative trading assets</td>
<td>245,538</td>
<td>240,924</td>
</tr>
</tbody>
</table>

Traded credit products such as bonds in our developed markets’ trading book are managed by a dedicated risk management unit combining our credit and market risk expertise. We use appropriate portfolio limits and ratings-driven thresholds on single-issuer basis, combined with our market risk management tools to risk manage such positions.

Asset Quality

This section describes the asset quality of our loans. All loans where known information about possible credit problems of borrowers causes our 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

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans neither past due, nor renegotiated or impaired</td>
<td>213,591</td>
<td>233,097</td>
</tr>
<tr>
<td>Past due loans, neither renegotiated nor impaired</td>
<td>1,562</td>
<td>1,579</td>
</tr>
<tr>
<td>Loans renegotiated, but not impaired</td>
<td>688</td>
<td>997</td>
</tr>
<tr>
<td>Impaired loans</td>
<td>6,129</td>
<td>6,262</td>
</tr>
<tr>
<td>Total</td>
<td>221,970</td>
<td>241,935</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans less than 30 days past due</td>
<td>3,898</td>
<td>4,394</td>
</tr>
<tr>
<td>Loans 30 or more but less than 60 days past due</td>
<td>967</td>
<td>958</td>
</tr>
<tr>
<td>Loans 60 or more but less than 90 days past due</td>
<td>394</td>
<td>420</td>
</tr>
<tr>
<td>Loans 90 days or more past due</td>
<td>716</td>
<td>907</td>
</tr>
<tr>
<td>Total</td>
<td>5,975</td>
<td>6,678</td>
</tr>
</tbody>
</table>

Non-impaired past due loans at amortized cost by industry

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks and insurance</td>
<td>3</td>
<td>77</td>
</tr>
<tr>
<td>Fund management activities</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>473</td>
<td>233</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>187</td>
<td>439</td>
</tr>
<tr>
<td>Households</td>
<td>3,781</td>
<td>4,425</td>
</tr>
<tr>
<td>Commercial real estate activities</td>
<td>888</td>
<td>814</td>
</tr>
<tr>
<td>Public sector</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>Other</td>
<td>621</td>
<td>665</td>
</tr>
<tr>
<td>Total</td>
<td>5,975</td>
<td>6,678</td>
</tr>
</tbody>
</table>
Non-impaired past due loans at amortized cost by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>3,238</td>
<td>3,749</td>
</tr>
<tr>
<td>Western Europe (excluding Germany)</td>
<td>2,141</td>
<td>2,532</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>148</td>
<td>143</td>
</tr>
<tr>
<td>North America</td>
<td>397</td>
<td>165</td>
</tr>
<tr>
<td>Central and South America</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>45</td>
<td>73</td>
</tr>
<tr>
<td>Africa</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>5,975</td>
<td>6,678</td>
</tr>
</tbody>
</table>

Our non-impaired past due loans decreased by € 703 million to € 6.0 billion as of December 31, 2012, largely due to a reduction in households in Germany and Western Europe (excluding Germany). 65 % of our non-impaired past due loans were less than 30 days past due and 54 % were with counterparties domiciled in Germany, while industry concentration was with households (63 %).

Aggregated value of collateral – with the fair values of collateral capped at loan outstandings – held against our non-impaired past due loans

<table>
<thead>
<tr>
<th>Collateral Type</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial and other collateral</td>
<td>3,248</td>
<td>3,973</td>
</tr>
<tr>
<td>Guarantees received</td>
<td>167</td>
<td>158</td>
</tr>
<tr>
<td>Total</td>
<td>3,415</td>
<td>4,131</td>
</tr>
</tbody>
</table>

The reduction of the collateral held for our non-impaired past due loans of € 716 million mainly results from one customer and from the overall decrease of our non-impaired past due loans, both in Western Europe (excluding Germany).

Renegotiated Loans and Forbearances

Loans that have been renegotiated in such a way that we, for economic or legal reasons related to the borrower’s financial difficulties, granted a concession to the borrower that we would not otherwise have considered are disclosed as renegotiated loans. As of December 31, 2012, the level of our renegotiated loans increased slightly by € 96 million or 4 % to € 2.5 billion compared to prior year-end, of which € 1.6 billion were impaired. Increases in renegotiated loans considered impaired were only partially compensated by an overall decrease in renegotiated loans considered non-impaired.

For economic or legal reasons we might close a forbearance agreement with a borrower who faces financial difficulties in order to ease the contractual obligation for a limited period of time. A case by case approach is applied for our corporate clients considering each transaction and client specific facts and circumstances. For consumer loans we offer 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, our risk management strategies and the local legislation. In case of 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. These forbearances are considered as renegotiations and disclosed accordingly.

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”),
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 an oversight committee comprised of Group Finance and Risk senior management.

Within consolidations we acquired certain loans for which an impairment had been established previously by the consolidated entities. These loans were taken onto our balance sheet at their fair values as determined by their expected cash flows which reflected the credit quality of these loans at the time of acquisition. As long as our cash flow expectations regarding these loans have not deteriorated since acquisition, they are not considered impaired loans.

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 a derecognition 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 01 “Significant Accounting Policies”.

<table>
<thead>
<tr>
<th>Impaired loans, allowance for loan losses and coverage ratios by business division</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
<th>2012 increase (decrease) from 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in € m.</td>
<td>Impaired loans</td>
<td>Loan loss allowance</td>
</tr>
<tr>
<td>Corporate Banking &amp; Securities</td>
<td>1,005</td>
<td>721</td>
<td>72</td>
</tr>
<tr>
<td>Global Transaction Banking</td>
<td>1,014</td>
<td>464</td>
<td>46</td>
</tr>
<tr>
<td>Asset &amp; Wealth Management</td>
<td>138</td>
<td>33</td>
<td>24</td>
</tr>
<tr>
<td>Private &amp; Business Clients</td>
<td>4,188</td>
<td>2,071</td>
<td>49</td>
</tr>
<tr>
<td>Non-Core Operations Unit</td>
<td>3,990</td>
<td>1,407</td>
<td>35</td>
</tr>
<tr>
<td>Thereof: assets reclassified to loans and receivables according to IAS 39</td>
<td>1,499</td>
<td>488</td>
<td>33</td>
</tr>
<tr>
<td>Total</td>
<td>10,335</td>
<td>4,696</td>
<td>45</td>
</tr>
</tbody>
</table>

1 Numbers for 2011 adjusted.
### Impaired loans, allowance for loan losses and coverage ratios by industry

**Dec 31, 2012**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Impaired Loans</th>
<th>Loan loss allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individually assessed</td>
<td>Collectively assessed</td>
</tr>
<tr>
<td></td>
<td>allowance for impaired loans</td>
<td>allowance for non-impaired loans</td>
</tr>
<tr>
<td></td>
<td>Impaired loan coverage ratio in %</td>
<td></td>
</tr>
<tr>
<td>Banks and insurance</td>
<td>53</td>
<td>–</td>
</tr>
<tr>
<td>Fund management activities</td>
<td>127</td>
<td>1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>720</td>
<td>206</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>355</td>
<td>199</td>
</tr>
<tr>
<td>Households</td>
<td>562</td>
<td>3,145</td>
</tr>
<tr>
<td>Commercial real estate activities</td>
<td>3,087</td>
<td>271</td>
</tr>
<tr>
<td>Public sector</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other</td>
<td>1,225</td>
<td>384</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,129</td>
<td>4,206</td>
</tr>
</tbody>
</table>

---

**Dec 31, 2011**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Impaired Loans</th>
<th>Loan loss allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individually assessed</td>
<td>Collectively assessed</td>
</tr>
<tr>
<td></td>
<td>allowance for impaired loans</td>
<td>allowance for non-impaired loans</td>
</tr>
<tr>
<td></td>
<td>Impaired loan coverage ratio in %</td>
<td></td>
</tr>
<tr>
<td>Banks and insurance</td>
<td>118</td>
<td>–</td>
</tr>
<tr>
<td>Fund management activities</td>
<td>917</td>
<td>917</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>669</td>
<td>831</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>330</td>
<td>468</td>
</tr>
<tr>
<td>Households</td>
<td>394</td>
<td>3,008</td>
</tr>
<tr>
<td>Commercial real estate activities</td>
<td>2,721</td>
<td>224</td>
</tr>
<tr>
<td>Public sector</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other</td>
<td>1,113</td>
<td>276</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,262</td>
<td>3,808</td>
</tr>
</tbody>
</table>

1 Numbers for 2011 adjusted.

### Impaired loans, allowance for loan losses and coverage ratios by region

**Dec 31, 2012**

<table>
<thead>
<tr>
<th>Region</th>
<th>Impaired Loans</th>
<th>Loan loss allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individually assessed</td>
<td>Collectively assessed</td>
</tr>
<tr>
<td></td>
<td>allowance for impaired loans</td>
<td>allowance for non-impaired loans</td>
</tr>
<tr>
<td></td>
<td>Impaired loan coverage ratio in %</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>1,822</td>
<td>1,793</td>
</tr>
<tr>
<td>Western Europe (excluding Germany)</td>
<td>3,276</td>
<td>2,200</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>137</td>
<td>207</td>
</tr>
<tr>
<td>North America</td>
<td>624</td>
<td>626</td>
</tr>
<tr>
<td>Central and South America</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>229</td>
<td>233</td>
</tr>
<tr>
<td>Africa</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,129</td>
<td>4,206</td>
</tr>
</tbody>
</table>

---

**Dec 31, 2011**

<table>
<thead>
<tr>
<th>Region</th>
<th>Impaired Loans</th>
<th>Loan loss allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individually assessed</td>
<td>Collectively assessed</td>
</tr>
<tr>
<td></td>
<td>allowance for impaired loans</td>
<td>allowance for non-impaired loans</td>
</tr>
<tr>
<td></td>
<td>Impaired loan coverage ratio in %</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>1,870</td>
<td>1,851</td>
</tr>
<tr>
<td>Western Europe (excluding Germany)</td>
<td>2,975</td>
<td>1,690</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>52</td>
<td>189</td>
</tr>
<tr>
<td>North America</td>
<td>1,058</td>
<td>75</td>
</tr>
<tr>
<td>Central and South America</td>
<td>40</td>
<td>0</td>
</tr>
<tr>
<td>Asia/Pacific</td>
<td>267</td>
<td>3</td>
</tr>
<tr>
<td>Africa</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,262</td>
<td>3,808</td>
</tr>
</tbody>
</table>

1 Numbers for 2011 adjusted.
Our impaired loans increased by € 265 million to € 10.3 billion in 2012 as net new impaired loans of € 1.5 billion were partly offset by € 1.3 billion charge-offs. The overall increase is mainly attributable to a net increase of € 398 million in our collectively assessed impaired loans, predominantly relating to households in Western Europe (excluding Germany). This increase in collectively assessed impaired loans was partly compensated by a € 133 million net decrease in our individually assessed impaired loans, primarily caused by reductions from de-risking through sale or restructuring of exposures in North America which overcompensated increases in the commercial real estate sector and households in Western Europe (excluding Germany).

The impaired loan coverage ratio improved from 41 % to 45 % mainly attributable to Postbank. At change of control, all loans classified as impaired by Postbank were classified as performing by Deutsche Bank and also initially recorded at fair value. Subsequent increases in provisions at the Postbank level resulted in an impairment of the full loan from a Deutsche Bank consolidated perspective, but with an allowance being built for only the incremental provision. Due to the sale of larger impaired commercial real estate financings as part of our de-risking activities the latter effect has been partially reversed. In addition, the overall increased level of our allowance contributed also to the coverage ratio increase.

Our impaired loans included € 1.5 billion among the loans reclassified to loans and receivables in accordance with IAS 39. This position is unchanged from prior year, since gross increases of € 0.3 billion were offset by charge-offs.

Impaired loans, provision for loan losses and recoveries by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Dec 31, 2012 Total Impaired Loans</th>
<th>2 months ending Dec 31, 2012 Total Impaired Loans</th>
<th>Dec 31, 2011 Total Impaired Loans</th>
<th>2 months ending Dec 31, 2011 Total Impaired Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>individually assessed</td>
<td>Collectively assessed</td>
<td>individually assessed</td>
<td>Collectively assessed</td>
</tr>
<tr>
<td>Banks and insurances</td>
<td>53</td>
<td>17</td>
<td>118</td>
<td>52</td>
</tr>
<tr>
<td>Fund management activities</td>
<td>128</td>
<td>(20)</td>
<td>917</td>
<td>32</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>926</td>
<td>110</td>
<td>831</td>
<td>156</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>554</td>
<td>81</td>
<td>468</td>
<td>74</td>
</tr>
<tr>
<td>Households</td>
<td>3,707</td>
<td>742</td>
<td>3,402</td>
<td>982</td>
</tr>
<tr>
<td>Commercial real estate activities</td>
<td>3,358</td>
<td>357</td>
<td>2,945</td>
<td>356</td>
</tr>
<tr>
<td>Public sector</td>
<td>–</td>
<td>1</td>
<td>–</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1,609</td>
<td>633</td>
<td>1,389</td>
<td>347</td>
</tr>
<tr>
<td>Total</td>
<td>10,335</td>
<td>1,922</td>
<td>10,070</td>
<td>2,000</td>
</tr>
</tbody>
</table>

1 Numbers for 2011 adjusted.
Our existing commitments to lend additional funds to debtors with impaired loans amounted to € 145 million as of December 31, 2012 and € 168 million as of December 31, 2011.

| Collateral held against impaired loans, with fair values capped at transactional outstandings |
|-----------------------------------------------|------------------|------------------|
| in € m.                                        | Dec 31, 2012     | Dec 31, 2011     |
| Financial and other collateral               | 4,253            | 3,714            |
| Guarantees received                          | 401              | 349              |
| Total collateral held for impaired loans     | 4,654            | 4,063            |

Our total collateral held for impaired loans as of December 31, 2012 increased by € 591 million compared to prior year. The coverage ratio including collateral increased to 90 % as of December 31, 2012 compared to 82 % as of December 31, 2011 and was driven by the same factor as the impaired loan coverage ratio which is attributable to Postbank.

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.

| Collateral obtained during the reporting periods |
|-----------------------------------------------|------------------|
| in € m.                                        | 2012  | 2011  |
| Commercial real estate                        | 30    | 89    |
| Residential real estate                       | 62    | 40    |
| Other                                         | 0     | 0     |
| Total collateral obtained during the reporting period | 92    | 129   |

The commercial and residential real estate collateral obtained in 2012 refers to our U.S. and Spain exposures.

The residential real estate collateral obtained, as shown in the table above, excludes collateral recorded as a result of consolidating securitization trusts under SIC-12 and IAS 27. The year-end amounts in relation to collateral obtained for these trusts were € 10 million for December 31, 2012 and € 20 million for December 31, 2011.
Allowance for Credit Losses

Development of allowance for credit losses

<table>
<thead>
<tr>
<th></th>
<th>Allowance for Loan Losses</th>
<th>Allowance for Off-Balance Sheet Positions</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individually assessed</td>
<td>Collectively assessed</td>
<td>Subtotal</td>
</tr>
<tr>
<td>Balance, beginning of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>year</td>
<td>2,011</td>
<td>2,150</td>
<td>4,162</td>
</tr>
<tr>
<td>Provision for credit</td>
<td>1,115</td>
<td>613</td>
<td>1,728</td>
</tr>
<tr>
<td>losses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>thereof:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Gains)/Losses from</td>
<td>79</td>
<td>(55)</td>
<td>24</td>
</tr>
<tr>
<td>disposal of impaired</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>loans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net charge-offs:</td>
<td>(762)</td>
<td>(324)</td>
<td>(1,086)</td>
</tr>
<tr>
<td></td>
<td>(798)</td>
<td>(483)</td>
<td>(1,261)</td>
</tr>
<tr>
<td>Charge-offs</td>
<td>36</td>
<td>158</td>
<td>195</td>
</tr>
<tr>
<td>Recoveries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in the group of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>consolidated companies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate changes/</td>
<td>(98)</td>
<td>(9)</td>
<td>(107)</td>
</tr>
<tr>
<td>other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>2,266</td>
<td>2,430</td>
<td>4,696</td>
</tr>
</tbody>
</table>

Changes compared to prior year

<table>
<thead>
<tr>
<th></th>
<th>Provision for credit losses</th>
<th>Net charge-offs</th>
<th>Balance, end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>absolute</td>
<td>relative</td>
<td>absolute</td>
</tr>
<tr>
<td>Provision for credit</td>
<td>208</td>
<td>23 %</td>
<td>255</td>
</tr>
<tr>
<td>losses</td>
<td>(312)</td>
<td>(24 %)</td>
<td>(279)</td>
</tr>
<tr>
<td>absolute</td>
<td>(104)</td>
<td>(6 %)</td>
<td>(934)</td>
</tr>
<tr>
<td>relative</td>
<td>(26)</td>
<td>(137 %)</td>
<td>(934)</td>
</tr>
<tr>
<td>Net charge-offs</td>
<td>(249)</td>
<td>(16 %)</td>
<td>255</td>
</tr>
<tr>
<td>absolute</td>
<td>(61)</td>
<td>(21 %)</td>
<td>(255)</td>
</tr>
<tr>
<td>relative</td>
<td>(189)</td>
<td>(6 %)</td>
<td>(255)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>255</td>
<td>13 %</td>
<td>279</td>
</tr>
</tbody>
</table>

In a volatile economic environment our credit standards have kept new provisions for loan losses under control. This included pro-active management of the homogeneous retail portfolios as well as strict underwriting standards in CB&S and continued diligent monitoring of higher risk exposures. With the creation of the NCOU, we have begun acti-de-risking higher risk assets, which we intend to continue in 2013.

Our allowance for credit losses was € 4.9 billion as of December 31, 2012, thereof 96 % or € 4.7 billion related to our loan portfolio and 4 % or € 215 million to off-balance sheet positions (predominantly loan commitments and guarantees). Our allowance for loan losses as of December 31, 2012 was € 4.7 billion, 52 % of which is related to collectively assessed and 48 % to individually assessed loan losses. The increase in our allowance for loan losses of € 534 million mainly relates to € 1.7 billion of additional loan loss provisions partly offset by € 1.1 billion of charge-offs. Our allowance for off-balance sheet positions decreased by € 10 million or 4 % compared to the prior year due to releases of previously established allowances overcompensating new provisions in our portfolio for individually assessed off-balance sheet positions.

Provisions for credit losses recorded in 2012 decreased by € 118 million to € 1.7 billion compared to 2011. The overall loan loss provisions decreased by € 104 million or 6 % in 2012 compared to 2011. This decrease was driven by our collectively assessed loan portfolio, where we saw a reduction of € 312 million or 34 % driven by lower levels of provisioning for non-impaired loans within our NCOU mainly as a result of our de-risking measures along with lower provisioning in our homogenous Postbank portfolio. The latter decrease however excludes the effect of Postbank releases related to loan loss allowances recorded prior to consolidation. The impact of such releases is reported as interest income on a group level. The increase in provisions for our individually assessed loans of € 208 million or 23 % is related to assets which had been reclassified in accordance with IAS 39 in North America and United Kingdom now held in the NCOU. Provisions for off-balance
sheet positions decreased by € 14 million or 191 % driven by our portfolio for individually assessed off-balance sheet positions, where releases of previously established allowances overcompensated new provisions in 2012.

Net charge-offs increased by € 189 million or 21 % in 2012. Net charge-offs for our individually assessed loans were up € 249 million mainly related to assets which had been reclassified in accordance with IAS 39.

At year end 2011, our allowance for credit losses amounted to € 4.4 billion, thereof 95 % or € 4.2 billion related to our loan portfolio and 5 % or € 225 million to off-balance sheet positions.

Our allowance for loan losses as of December 31, 2011 was € 4.2 billion, a 26 % increase from prior year end. The increase in our allowance was principally due to increased new provisions following the first full year consolidation of Postbank and lower net charge-offs compared to the prior year. Our allowance for off-balance sheet positions at the end of 2011 was almost on the same level as of the end of 2010.

Provisions for credit losses in 2011 amounted to € 1.8 billion, up € 566 million compared to 2010. Our provision for loan losses showed an increase of € 520 million or 40 % in 2011, thereof € 345 million or 61 % related to individually assessed loans, and € 175 million or 23 % related to our collectively assessed loan portfolios. The rise in individually assessed provision for loan losses was driven by the first time consolidation of Postbank and furthermore reflected impairment charges taken on a number of exposures in the Americas and in Europe in an overall challenging global economic credit environment. Reduced provisioning levels for IAS 39 reclassified assets partly compensated these increases. Loan loss provisions for our collectively assessed loan portfolios, which increased by 23 % compared to 2010, were also affected by the first time consolidation of Postbank.

Excluding Postbank, the loan loss provision for our collectively assessed exposure was reduced due to our retail business in Germany which contributed lower provisions, despite the challenging economic environment.
Our provisions for off-balance sheet positions increased by € 46 million or 119 % compared to 2010 driven by our portfolio for individually assessed off-balance sheet positions.

Our net charge-offs decreased by € 403 million or 31 % in 2011, almost fully related to our individually assessed loans, where we saw a reduction of € 384 million fully driven by IAS 39 reclassified assets.

**Derivatives – Credit Valuation Adjustment**

We establish a 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.

The CVAs are significant for certain monoline counterparties. For monolines with actively traded CDS, the CVA is calculated using a full CDS-based valuation model. For monolines without actively traded CDS a model based approach is used with various input factors, including relevant market driven default probabilities, the likelihood of an event (either a restructuring or an insolvency), an assessment of any potential settlement in the event of a restructuring, and recovery rates in the event of either restructuring or insolvency. The monoline CVA methodology is reviewed on a quarterly basis by management.

We recorded € 737 million in CVAs against our aggregate monoline exposures as of December 31, 2012, compared to € 1.1 billion as of December 31, 2011.

**Treatment of Default Situations under Derivatives**

Unlike standard loan assets, we generally have more options to manage the credit risk in our OTC derivatives when movement in the current replacement costs of the transactions and the behavior of our counterparty indicate that there is the risk that upcoming payment obligations under the transactions might not be honored. In these situations, we are frequently able under prevailing contracts to obtain additional collateral or terminate the transactions or the related master agreement at short notice.

The master agreements executed with our clients usually provide for a broad set of standard or bespoke termination rights, which allow us to respond swiftly to a counterparty’s default or to other circumstances which indicate a high probability of failure. When our decision to terminate derivative transactions or the related master agreement results in a residual net obligation owed by the counterparty, we restructure the obligation into a non-derivative claim and manage it through our regular work-out process. As a consequence, for accounting purposes we typically do not show any nonperforming derivatives.

Wrong way risk occurs when exposure to a counterparty is adversely correlated with the credit quality of that counterparty. It must be carefully considered together with the correlation between the obligor and risk mitigants and is actively monitored and reviewed on a regular basis. In compliance with Section 224 (8) and (9) SolvV we, excluding Postbank, have established a monthly process to monitor specific wrong way risk, whereby transactions subject to wrong way risk are automatically selected and presented for comment to the responsible credit officer. In addition, we, excluding Postbank, utilize our established process for calibrating our own alpha factor (as defined in Section 223 (7) SolvV) to estimate the overall wrong-way risk in our 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.
Counterparty Credit Risk: Regulatory Assessment

The following section on Counterparty Credit Risk: Regulatory Assessment, ending on page 117, present specific disclosures in relation to Pillar 3. Per regulation it is not required to audit Pillar 3 disclosures. As such this section is labeled unaudited. Quantitative information presented follows the regulatory scope of consolidation.

General Considerations for the Regulatory Assessment of Counterparty Risk

Generally we apply the advanced IRBA for the majority of our advanced IRBA eligible credit portfolios to calculate the regulatory capital requirements according to the SolV, based on respective approvals received from BaFin.

The BaFin approvals obtained as a result of the advanced IRBA audit processes for our counterparty credit exposures excluding Postbank allow the usage of 63 internally developed rating systems for regulatory capital calculation purposes out of which 37 rating systems were authorized in December 2007 and a further 26 followed until year end 2012. Overall they cover all of our material exposures, excluding Postbank, in the advanced IRBA eligible exposure classes “central governments”, “institutions”, “corporates”, and “retail”.

Postbank’s retail portfolio is also assigned to the advanced IRBA based on respective BaFin approvals Postbank received and the fact that we have an advanced IRBA status. Details of the advanced IRBA and the advanced IRBA exposures are provided in Sections “Advanced Internal Ratings Based Approach” and “Advanced IRBA Exposure”.

Moreover, we apply the foundation IRBA for a significant portion of Postbank’s IRBA eligible credit portfolios, in which Postbank received respective BaFin approvals in recent years. The foundation IRBA and the foundation IRBA exposures are discussed in Sections “Foundation Internal Ratings Based Approach” and “Foundation IRBA Exposure”.

The approvals Postbank obtained from the BaFin as a result of its IRBA audit processes for the counterparty credit exposures allow the usage of 16 internally developed rating systems for regulatory capital calculation purposes under the IRBA of which eight rating systems were authorized in December 2006 and a further nine followed by year end 2012. The application of one rating system has been suspended. Overall they cover Postbank’s material exposures in the advanced IRBA eligible exposure class “retail” as well as Postbank’s material exposures in the foundation IRBA eligible exposure classes “central governments”, “institutions” and “corporates”.

For Postbank’s exposure classes “institutions” and “corporates” advanced IRBA audits have been conducted and are pending approval.

We assign a few remaining advanced IRBA eligible portfolios of small size temporarily to the standardized approach. With regard to these, an implementation plan and approval schedule have been set up and agreed with the competent authorities, the BaFin and the Bundesbank.

Exposures which we do not treat under the advanced or the foundation IRBA are discussed in the Sections “Other IRBA Exposure” and “Standardized Approach” respectively.
Our advanced IRBA coverage ratio, excluding Postbank, exceeds the German regulatory requirement of 92% by exposure value (“EAD”) as well as by RWA as of December 31, 2012, using applicable measures according to Section 67 SolvV. This ratio excludes the exposures permanently assigned to the standardized approach (according to Section 70 SolvV) which are discussed in Section “Standardized Approach”, other IRBA exposure (described in Section “Other IRBA Exposure”) as well as securitization positions (please refer to Section “Securitization” for further details). The regulatory minimum requirements with regard to the respective coverage ratio thresholds have been met at all times.

**EAD and RWA according to the model approaches applied to our credit risk portfolios**

<table>
<thead>
<tr>
<th></th>
<th>Advanced IRBA</th>
<th>Foundation IRBA</th>
<th>Other IRBA</th>
<th>Standardized Approach</th>
<th>Total Capital Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>EAD</td>
<td>RWA</td>
<td>EAD</td>
<td>RWA</td>
<td>EAD</td>
</tr>
<tr>
<td>Central governments</td>
<td>103,199</td>
<td>3,762</td>
<td>112</td>
<td>35</td>
<td>-</td>
</tr>
<tr>
<td>Institutions</td>
<td>65,856</td>
<td>8,946</td>
<td>22,658</td>
<td>3,156</td>
<td>-</td>
</tr>
<tr>
<td>Corporates</td>
<td>281,190</td>
<td>81,646</td>
<td>11,936</td>
<td>7,349</td>
<td>17,672</td>
</tr>
<tr>
<td>Total</td>
<td>695,887</td>
<td>143,725</td>
<td>34,707</td>
<td>10,539</td>
<td>27,609</td>
</tr>
</tbody>
</table>

Thereof counterparty credit risk from

<table>
<thead>
<tr>
<th></th>
<th>Advanced IRBA</th>
<th>Foundation IRBA</th>
<th>Other IRBA</th>
<th>Standardized Approach</th>
<th>Total Capital Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivatives</td>
<td>87,857</td>
<td>30,870</td>
<td>1,841</td>
<td>6,919</td>
<td>2,827</td>
</tr>
<tr>
<td>Securities financing transactions</td>
<td>55,333</td>
<td>1,841</td>
<td>6,919</td>
<td>140</td>
<td>-</td>
</tr>
</tbody>
</table>

The table above also provides an overview of the model approaches used for our securitization positions. Please note that the following sections on our exposures in the IRBA and standardized approaches exclude securitization exposures as they are presented separately in more detail in the section “Securitization”. The line item “Other exposures” contain predominantly collective investment undertakings, equity exposures and non-credit obligations treated under the other IRBA as well as remaining exposures classes for the standardized approach which do not fall under the exposure classes “Central governments”, “Institutions”, “Corporates” or “Retail”.

**Advanced Internal Ratings Based Approach**

The advanced IRBA is the most sophisticated approach available under the regulatory framework for credit risk allowing us to make use of our internal rating methodologies as well as internal estimates of specific other 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 (“PD”), the loss given default (“LGD”) driving the regulatory risk-weight and the credit conversion factor (“CCF”) as part of the regulatory exposure at default (“EAD”) estimation. For most of our internal rating systems more than seven years of historical information is available to assess these parameters. Our internal rating methodologies reflect a point-in-time rather than a through-the-cycle rating.
The probability of default for customers is derived from our internal rating systems. We assign a probability of default to each relevant counterparty credit exposure as a function of a transparent and consistent 26-grid master rating scale for all of our exposure excluding Postbank. The borrower ratings assigned are derived on the grounds of internally developed rating models which specify consistent and distinct customer-relevant criteria and assign a rating grade based on a specific set of criteria as given for a certain customer. The set of criteria is generated from information sets relevant for the respective customer segments like general customer behavior, financial and external data. The methods in use range from statistical scoring models to expert-based models taking into account the relevant available quantitative and qualitative information. Expert-based models are usually applied for counterparts in the exposure classes “Central governments”, “Institutions” and “Corporates” with the exception of small- and medium-sized entities. For the latter as well as for the retail segment statistical scoring or hybrid models combining both approaches are commonly used. Quantitative rating methodologies are developed based on applicable statistical modelling techniques, such as logistic regression. In line with Section 118 of SolV, these models are complemented by human judgment and oversight to review model-based assignments and to ensure that the models are used appropriately. When we assign our internal risk ratings, it allows us to compare them with external risk ratings assigned to our counterparties by the major international rating agencies, where possible, as our internal rating scale has been designed to principally correspond to the external ratings scales from rating agencies. For quantitative information where we provide our advanced and foundation IRBA exposure based on a rating grade granularity which corresponds to the external Standard & Poors rating equivalents please refer to the section “Advanced IRBA Exposure” and “Foundation IRBA Exposure”.

Although different rating methodologies are applied to the various customer segments in order to properly reflect customer-specific characteristics, they all adhere to the same risk management principles. Credit process policies provide guidance on the classification of customers into the various rating systems. For more information regarding the credit process and the respective rating methods used within that process, please refer to Section “Credit Risk Ratings and Rating Governance”.

For our Postbank retail portfolios subject to the advanced IRBA, Postbank assigns a probability of default to each relevant counterparty credit exposure as a function of an internal rating master scale. The ratings assigned are derived on the grounds of internally developed rating models which specify consistent and distinct customer-relevant criteria. These rating models are statistical scoring methods based on internal and external information relating to the borrower and use statistical procedures to evaluate a probability of default. The resulting scores are then mapped to Postbank’s internal rating master scale.

We apply internally estimated LGD factors as part of the advanced IRBA capital requirement calculation as approved by the BaFin. LGD is defined as the likely loss intensity in case of a counterparty default. It provides an estimation of the exposure that cannot be recovered in a default event and therefore captures the severity of a loss. Conceptually, LGD estimates are independent of a customer’s probability of default. The LGD models ensure that the main drivers for losses (e.g. different levels and quality of collateralization and customer or product types or seniority of facility) are reflected in specific LGD factors. In our LGD models, except Postbank, we assign collateral type specific LGD parameters to the collateralized exposure (collateral value after application of haircuts). Moreover, the LGD for uncollateralized exposure cannot be below the LGD assigned to collateralized exposure and regulatory minimum parameters (10 % for residential mortgage loans) are applied.
As part of the application of the advanced IRBA we apply specific CCFs in order to calculate an EAD value. Conceptually the EAD is defined as the expected amount of the credit exposure to a counterparty at the time of its default. For advanced IRBA calculation purposes we apply the general principles as defined in Section 100 SolvV to determine the EAD of a transaction. In instances, however, where a transaction outside of Postbank involves an unused limit a percentage share of this unused limit is added to the outstanding amount in order to appropriately reflect the expected outstanding amount in case of a counterparty default. This reflects the assumption that for commitments the utilization at the time of default might be higher than the current utilization. When a transaction involves an additional contingent component (e.g. guarantees) a further percentage share (usage factor) is applied as part of the CCF model in order to estimate the amount of guarantees drawn in case of default. Where allowed under the advanced IRBA the CCFs are internally estimated. The calibrations of such parameters are based on statistical experience as well as internal historical data and consider customer and product type specifics. As part of the approval process, the BaFin assessed our CCF models and stated their appropriateness for use in the process of regulatory capital requirement calculations.

Overall Postbank has similar standards in place to apply the advanced IRBA to its retail portfolios using internally estimated default probabilities, loss rates and conversion factors as the basis for calculating minimum regulatory capital requirements.

For derivative counterparty exposures as well as securities financing transactions (“SFT”) we, excluding Postbank, make use of the internal model method (“IMM”) in accordance with Section 222 et seq. SolvV. In this respect securities financing transactions encompass repurchase transactions, securities or commodities lending and borrowing as well as margin lending transactions (including prime brokerage). The IMM is a more sophisticated approach for calculating EAD for derivatives and SFT, again requiring prior approval from the BaFin before its first application. By applying this approach, we build our EAD calculations on a Monte Carlo simulation of the transactions’ future market values. Within this simulation process, interest and FX rates, credit spreads, equity and commodity prices are modeled by stochastic processes and each derivative and securities financing transaction is revalued at each point of a pre-defined time grid by our internally approved valuation routines. As the result of this process, a distribution of future market values for each transaction at each time grid point is generated. From these distributions, by considering the appropriate netting and collateral agreements, we derive the exposure measures potential future exposure (“PFE”), average expected exposure (“AEE”) and expected positive exposure (“EPE”) mentioned in Section “Counterparty Credit Risk from Derivatives”. The EPE measure evaluated on regulatory eligible netting sets defines the EAD for derivative counterparty exposures as well as for securities financing transactions within our regulatory capital calculations for the great majority of our derivative and SFT portfolio, while applying an own calibrated alpha factor in its calculation, floored at the minimum level of 1.2. For the small population of transactions for which a simulation cannot be computed, the EAD used is derived from the current exposure method.

For our derivative counterparty credit risk resulting from Postbank we apply the current exposure method, i.e., we calculate the EAD as the sum of the net positive fair value of the derivative transactions and the regulatory add-ons. As the EAD derivative position resulting from Postbank is less than 1 % in relation to our overall counterparty credit risk position from derivatives we consider Postbank’s derivative position to be immaterial.

**Default Definition and Model Validation**

A prerequisite for the development of rating methodologies and the determination of risk parameters is a proper definition, identification and storage of the default event of a customer. We apply a default definition in accordance with the requirements of Section 125 SolvV as confirmed by the BaFin as part of the IRBA approval process.
As an important element of our risk management framework we regularly validate our rating methodologies and credit risk parameters. Whereas the rating methodology validation focuses on the discriminatory power of the models, the risk parameter validation for PD, LGD and EAD analyzes the predictive power of those parameters when compared against historical default experiences.

According to our standards, and in line with the SolvV-defined minimum requirements, the parameters PD, LGD and EAD are reviewed annually. The validation process for parameters as used by us excluding Postbank is coordinated and supervised by a validation working group composed of members from Finance, Risk Analytics and Instruments and Credit Risk Management. Risk parameter validations consist of quantitative analyses of internal historical data and are enriched by qualitative assessments in case data for validation is not sufficient for getting reliable results. A recalibration of specific parameter settings is triggered based on validation results if required. In addition to annual validations, ad hoc reviews are performed where appropriate as a reaction to quality deterioration at an early stage due to systematic changes of input factors (e.g. changes in payment behavior) or changes in the structure of the portfolio. The reviews conducted in 2012 for advanced IRBA rating systems triggered recalibrations as shown in the table below. 26 new risk parameters are applied due to newly approved rating systems or due to increased granularity in existing risk parameter settings. None of the recalibrations individually nor the impact of all recalibrations in the aggregate materially impacted our regulatory capital requirements.

Analogously at Postbank the allocation mechanism of the master scale to the probabilities of default as well as the results of the estimations of the input parameters PD, CCF and LGD are reviewed annually. Postbank’s model validation committee is responsible for supervising the annual validation process of all models. Via a cross committee membership Deutsche Bank senior managers join in Postbank committees and vice versa, to ensure a joint governance.

Validation results for risk parameters used in our advanced IRBA

<table>
<thead>
<tr>
<th></th>
<th>PD</th>
<th></th>
<th>LGD</th>
<th></th>
<th>EAD</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>EAD in %</td>
<td>Count</td>
<td>EAD in %</td>
<td>Count</td>
<td>EAD in %</td>
</tr>
<tr>
<td>Appropriate</td>
<td>104</td>
<td>91.4</td>
<td>100</td>
<td>89.8</td>
<td>40</td>
<td>79.5</td>
</tr>
<tr>
<td>Overly conservative</td>
<td>6</td>
<td>1.8</td>
<td>18</td>
<td>4.1</td>
<td>29</td>
<td>15.9</td>
</tr>
<tr>
<td>Progressive</td>
<td>16</td>
<td>6.8</td>
<td>11</td>
<td>6.1</td>
<td>5</td>
<td>4.6</td>
</tr>
<tr>
<td>Total</td>
<td>126</td>
<td>100.0</td>
<td>129</td>
<td>100.0</td>
<td>74</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thereof already recalibrated and introduced in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overly conservative</td>
</tr>
<tr>
<td>Progressive</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Above table summarizes the outcome of the model validations for risk parameters PD, LGD and EAD used in our advanced IRBA including Postbank. Individual risk parameter settings are classified as appropriate if no recalibration was triggered by the validation and thus the application of the current parameter setting is continued since still sufficiently conservative. A parameter classifies as overly conservative or progressive if the validation triggers a recalibration leading to a decrease or increase of the setting, respectively. The breakdown for PD, LGD and EAD is presented in counts as well as in the relative EAD attached to the respective parameter as of December 31, 2012.
The validations largely confirm our PD parameter settings. PDs classified as progressive can be subdivided into a group of 15 parameters with comparably low exposure and one parameter from Postbank assigned to approximately 4% of our total EAD, for which a recalibration is awaiting final approval from BaFin. Similarly, LGD parameter validations show largely appropriate settings. Progressive LGDs can be subdivided analogously to PDs with one parameter from Postbank assigned to approximately 4% of our total EAD, for which a recalibration is awaiting final approval from BaFin. For our EAD parameters, excluding Postbank, an improved and extended validation and recalibration approach has been implemented after approval from BaFin now taking into account the exposure changes for each of the twelve months prior to default and not only one year prior to default. Moreover, the extended time series leads to less variance and thus more stable parameter settings. These two effects lead to a reduction of a large number of EAD parameter settings.

Out of the 85 risk parameters where a change was suggested by the conducted validation, 55 were already introduced in 2012. The remaining 30 parameter changes are intended to be implemented in 2013. Some of these parameter changes require pending approval from BaFin prior to introduction. In addition, 5 recalibrated LGD parameters were introduced in 2012 based on validation results in 2011.

In addition to the above, the comparison of regulatory expected loss (“EL”) estimates with actual losses recorded also provides some insight into the predictive power of our parameter estimations and, therefore, EL calculations.

The EL used in this comparison is the forecast credit loss from counterparty defaults of our exposures over a one year period and is computed as the product of PD, LGD and EAD for performing exposures as of December 31 of the preceding year. The actual loss measure is defined by us as new provisions including recoveries on newly impaired exposures recorded in our financial statements through profit and loss during the respective reported years.

While we believe that this approach provides some insight, the comparison has limitations as the two measures are not directly comparable. In particular, the parameter LGD underlying the EL calculation represents the loss expectation until finalization of the workout period while the actual loss as defined above represents the accounting information recorded for one particular financial year. Furthermore, EL is a measure of expected credit losses for a snapshot of our credit exposure at a certain balance sheet date while the actual loss is recorded for a fluctuating credit portfolio over the course of a financial year, i.e., including losses in relation to new loans entered into during the year as well as offsetting releases of allowances for loan losses for loans considered impaired at time of EL determination.

According to the methodology described above, the following table provides a comparison of EL estimates for loans, commitments and contingent liabilities as of year-end 2011 till 2007, with actual losses recorded for the financial years 2012 till 2008, by regulatory exposure class for advanced IRBA exposures. Postbank is firstly reflected in the comparison of EL estimates as of year end 2010 with actual losses recorded for the financial year 2011.
Comparison of EL estimates for loans, commitments and contingent liabilities with actual losses recorded by regulatory exposure class

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>Expected loss</td>
<td>Actual loss</td>
<td>Expected loss</td>
<td>Actual loss</td>
<td>Expected loss</td>
<td>Actual loss</td>
<td>Expected loss</td>
</tr>
<tr>
<td>Central governments</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Institutions</td>
<td>7</td>
<td>14</td>
<td>22</td>
<td>2</td>
<td>16</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>Corporates</td>
<td>445</td>
<td>393</td>
<td>449</td>
<td>363</td>
<td>471</td>
<td>358</td>
<td>591</td>
</tr>
<tr>
<td>Retail exposures secured by real estate property</td>
<td>294</td>
<td>337</td>
<td>222</td>
<td>359</td>
<td>118</td>
<td>101</td>
<td>120</td>
</tr>
<tr>
<td>Qualifying revolving retail exposures</td>
<td>23</td>
<td>17</td>
<td>2</td>
<td>30</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Other retail exposures</td>
<td>418</td>
<td>348</td>
<td>390</td>
<td>301</td>
<td>301</td>
<td>282</td>
<td>311</td>
</tr>
</tbody>
</table>

Total actual loss in the advanced IRBA 1,188 1,109 1,088 910 1,047 2,143 690 658

1 The 2010 Expected Loss and 2011 Actual Loss figures have been restated to limit disclosure to Postbank’s advanced IRBA exposure only.
2 Losses related to assets reclassified into loans under IAS 39 amendments were excluded from the actual loss for 2008 since, as of December 31, 2007, the related assets were not within the scope of the corresponding expected loss calculation for loans.

The actual loss in 2012 was 7 % lower than the expected loss and was primarily driven by the lower level of provisions in our Other retail portfolios.

The increase in expected loss as of December 31, 2011 and as of December 31, 2010 in comparison to December 31, 2009 as well as the higher actual losses in 2012 and 2011 is primarily related to the inclusion of Postbank.

In 2010 the actual loss was 18 % below the expected loss as the actual loss and was positively influenced by lower provisions taken for assets reclassified in accordance with IAS 39.

The decrease of the expected loss for 2010 compared to the expected loss for 2009 reflected the slightly improved economic environment after the financial crisis.

In 2009 actual losses exceeded the expected loss by 104 % driven mainly by material charges taken against a small number of exposures, primarily concentrated in Leveraged Finance, as well as the further deteriorating credit conditions not reflected in the expected losses for our corporate exposures at the beginning of the year.

The following table provides a year-to-year comparison of the actual loss by regulatory exposure class. Postbank is firstly included in the reporting period 2011.

Year-to-year comparison of the actual loss by IRBA exposure class

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central governments</td>
<td>73</td>
<td>14</td>
<td>2</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td>Institutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporates</td>
<td>295</td>
<td>363</td>
<td>358</td>
<td>1,665</td>
<td>295</td>
</tr>
<tr>
<td>Retail exposures secured by real estate property</td>
<td>775</td>
<td>359</td>
<td>101</td>
<td>140</td>
<td>125</td>
</tr>
<tr>
<td>Qualifying revolving retail exposures</td>
<td>4</td>
<td>30</td>
<td>5</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Other retail exposures</td>
<td>223</td>
<td>301</td>
<td>282</td>
<td>315</td>
<td>223</td>
</tr>
<tr>
<td>Total actual loss by IRBA in the advanced IRBA</td>
<td>1,109</td>
<td>1,055</td>
<td>747</td>
<td>2,143</td>
<td>775</td>
</tr>
</tbody>
</table>

Our actual loss increased by € 54 million or 5 % in 2012 compared to previous year. The drivers of this increase were primarily higher actual losses in the IRBA exposure classes Other retail exposures as well as Corporates excluding Postbank partly being offset by reduction throughout Postbank’s advanced IRBA exposure classes.
New provisions established in 2011 were € 308 million higher compared to 2010 primarily due to the first time inclusion of Postbank in full year reporting.

New provisions established in 2010 were lower by € 1.4 billion compared to 2009, reflecting predominately significantly reduced provisions required for assets reclassified in accordance with IAS 39. Measures taken on portfolio and country level led to a reduction in the actual loss for our retail exposures in Spain and India, partially offset by increases in the consumer finance business in Poland. The observed decrease in actual loss were partially offset by provisions taken relating to the commercial banking activities acquired from ABN AMRO and Postbank.

The observed increase in actual loss of € 1.4 billion in 2009 compared to 2008 reflected the overall deterioration in credit conditions, predominantly on our exposure against corporates. Of this increase, 83 % was attributable to assets which had been reclassified in accordance with IAS 39, relating primarily to exposures in Leveraged Finance. Further provisions against corporate exposures were a result of deteriorating credit conditions, predominantly in Europe and the Americas. Increases recorded for our retail exposures reflected our strategy to invest in higher margin consumer finance business and were mainly a result of exacerbating economic crisis in Spain which adversely affected our mortgage loan and commercial finance portfolios there and by its consumer finance business in Poland and India.

**Advanced IRBA Exposure**

The advanced IRBA requires differentiating a bank’s credit portfolio into various regulatory defined exposure classes, namely central governments, institutions, corporates and retail clients. We identify the relevant regulatory exposure class for each exposure by taking into account factors like customer-specific characteristics, the rating system used as well as certain materiality thresholds which are regulatory defined.

The tables below show all of our advanced IRBA exposures distributed on a rating scale and separately for each regulatory IRBA exposure class. The presentation also includes Postbank’s retail portfolios as far as assigned to the advanced IRBA. The EAD is presented in conjunction with exposures-weighted average PD and LGD, the risk-weighted assets (“RWA”) and the average risk weight (“RW”) calculated as RWA divided by EAD net. The information is shown after credit risk mitigation obtained in the form of financial, physical and other collateral as well as guarantees and credit derivatives. The effect of double default, as far as applicable outside of Postbank’s retail exposures, is considered in the average risk weight. It implies that for a guaranteed exposure a loss only occurs if the primary obligor and the guarantor fail to meet their obligations at the same time.

It should be noted that the EAD gross information for exposures covered by guarantees or credit derivatives is assigned to the exposure class of the original counterparty respectively whereas the EAD net information assigns the exposures to the protection seller. As a consequence the EAD net can be higher than the EAD gross.

The table below also includes our counterparty credit risk position from derivatives and securities financing transactions (“SFT”) as far as it has been assigned to the advanced IRBA. For the vast majority of these exposures we make use of the IMM to derive the EAD where the appropriate netting and collateral agreements are already considered resulting in an EAD net of collateral.
## EAD of Advanced IRBA Credit Exposures by PD Grade (including Postbank)

<table>
<thead>
<tr>
<th>PD Grade</th>
<th>EAD gross in € m.</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>iAAA – iAA</td>
<td>0.00 – 0.04 %</td>
<td>85,351</td>
<td>93,599</td>
<td>0.04</td>
<td>49.24</td>
</tr>
<tr>
<td>0.04 – 0.11 %</td>
<td>4,948</td>
<td>6,227</td>
<td>0.08</td>
<td>25.61</td>
<td>23.16</td>
</tr>
<tr>
<td>0.11 – 0.5 %</td>
<td>2,804</td>
<td>2,533</td>
<td>0.30</td>
<td>27.03</td>
<td>49.88</td>
</tr>
<tr>
<td>0.5 – 2.27 %</td>
<td>1,404</td>
<td>583</td>
<td>1.40</td>
<td>21.83</td>
<td>49.72</td>
</tr>
<tr>
<td>2.27 – 10.22 %</td>
<td>732</td>
<td>207</td>
<td>5.67</td>
<td>4.59</td>
<td>79.28</td>
</tr>
<tr>
<td>10.22 – 99.99 %</td>
<td>423</td>
<td>50</td>
<td>13.05</td>
<td>5.51</td>
<td>92.15</td>
</tr>
<tr>
<td>Default</td>
<td>–</td>
<td>–</td>
<td>100.00</td>
<td>13.43</td>
<td>24.14</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>–</td>
<td>100.00</td>
<td>13.43</td>
<td>24.14</td>
</tr>
</tbody>
</table>

**Central Governments**

- EAD gross in € m.: 85,351
- EAD net in € m.: 93,599
- Average PD in %: 0.08
- Average LGD in %: 49.24
- Average RW in %: 0.49

**Institutions**

- EAD gross in € m.: 15,719
- EAD net in € m.: 16,636
- Average PD in %: 0.04
- Average LGD in %: 31.64
- Average RW in %: 5.54

**Corporates**

- EAD gross in € m.: 76,225
- EAD net in € m.: 78,535
- Average PD in %: 0.03
- Average LGD in %: 32.63
- Average RW in %: 9.50

**Retail Exposures Secured by Real Estate Property**

- EAD gross in € m.: 2,766
- EAD net in € m.: 2,766
- Average PD in %: 0.03
- Average LGD in %: 12.13
- Average RW in %: 9.50

**Qualifying Revolving Retail Exposures**

- EAD gross in € m.: 176
- EAD net in € m.: 176
- Average PD in %: 0.04
- Average LGD in %: 44.30
- Average RW in %: 1.36

**Other Retail Exposures**

- EAD gross in € m.: 257
- EAD net in € m.: 294
- Average PD in %: 0.03
- Average LGD in %: 41.61
- Average RW in %: 4.77

**Total IRBA Exposures**

- EAD gross in € m.: 180,494
- EAD net in € m.: 192,006
- Average PD in %: 0.04
- Average LGD in %: 40.46
- Average RW in %: 4.64

1 The relative low risk weights in the column "Default" reflect the fact that capital requirements for defaulted exposures are principally considered as a deduction from regulatory capital equal to the difference in expected loss and allowances.
### Central Governments

<table>
<thead>
<tr>
<th>EAD gross in € m.</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>102,638</td>
<td>113,128</td>
<td>0.00 – 0.04 %</td>
<td>0.04 – 0.11 %</td>
<td>0.11 – 0.5 %</td>
</tr>
<tr>
<td>2,712</td>
<td>2,716</td>
<td>1.669</td>
<td>2,023</td>
<td>21.37</td>
</tr>
<tr>
<td>2,280</td>
<td>2,023</td>
<td>3,759</td>
<td>1.37</td>
<td>21.82</td>
</tr>
<tr>
<td>1,669</td>
<td>276</td>
<td>0</td>
<td>5.28</td>
<td>100.00</td>
</tr>
<tr>
<td>759</td>
<td>0</td>
<td>380</td>
<td>21.82</td>
<td>0.17</td>
</tr>
<tr>
<td>380</td>
<td>163</td>
<td>110,601</td>
<td>21.82</td>
<td>47.51</td>
</tr>
<tr>
<td>110,601</td>
<td>119,124</td>
<td>119,124</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Institutions

<table>
<thead>
<tr>
<th>EAD gross in € m.</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>27,831</td>
<td>29,482</td>
<td>0.04</td>
<td>0.06</td>
<td>23.65</td>
</tr>
<tr>
<td>36,188</td>
<td>43,156</td>
<td>2.53</td>
<td>2.25</td>
<td>11.75</td>
</tr>
<tr>
<td>15,543</td>
<td>13,539</td>
<td>1.37</td>
<td>1.14</td>
<td>26.28</td>
</tr>
<tr>
<td>4,227</td>
<td>3,287</td>
<td>818</td>
<td>818</td>
<td>48.01</td>
</tr>
<tr>
<td>182</td>
<td>148</td>
<td>166</td>
<td>166</td>
<td>42.12</td>
</tr>
<tr>
<td>20,29</td>
<td>148</td>
<td>20,29</td>
<td></td>
<td>5.00</td>
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<tr>
<td>29,75</td>
<td>224</td>
<td>29,75</td>
<td></td>
<td>21.89</td>
</tr>
<tr>
<td>14,55</td>
<td>138</td>
<td>14,55</td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>7,169</td>
<td>138</td>
<td>7,169</td>
<td></td>
<td>119,124</td>
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<tr>
<td>7,519</td>
<td>84,337</td>
<td>7,519</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Corporates

<table>
<thead>
<tr>
<th>EAD gross in € m.</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>98,278</td>
<td>97,813</td>
<td>0.03</td>
<td>0.07</td>
<td>9.72</td>
</tr>
<tr>
<td>69,659</td>
<td>70,082</td>
<td>0.02</td>
<td>0.06</td>
<td>18,51</td>
</tr>
<tr>
<td>74,786</td>
<td>73,959</td>
<td>4,227</td>
<td>3,287</td>
<td>32,57</td>
</tr>
<tr>
<td>50,666</td>
<td>45,158</td>
<td>182</td>
<td>148</td>
<td>56,93</td>
</tr>
<tr>
<td>24,246</td>
<td>21,159</td>
<td>20,29</td>
<td>148</td>
<td>92,11</td>
</tr>
<tr>
<td>10,784</td>
<td>10,019</td>
<td>29,75</td>
<td>148</td>
<td>29,75</td>
</tr>
<tr>
<td>7,519</td>
<td>7,169</td>
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<td>14,55</td>
</tr>
<tr>
<td>335,939</td>
<td>321,711</td>
<td>7,169</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Retail Exposures Secured by Real Estate Property

<table>
<thead>
<tr>
<th>EAD gross in € m.</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,114</td>
<td>12,114</td>
<td>0.03</td>
<td>0.08</td>
<td>1.18</td>
</tr>
<tr>
<td>13,125</td>
<td>13,125</td>
<td>0.07</td>
<td>0.24</td>
<td>32,57</td>
</tr>
<tr>
<td>33,803</td>
<td>33,795</td>
<td>1,14</td>
<td>1.14</td>
<td>56,93</td>
</tr>
<tr>
<td>57,341</td>
<td>57,303</td>
<td>6,65</td>
<td>56,93</td>
<td>92,11</td>
</tr>
<tr>
<td>11,743</td>
<td>11,706</td>
<td>23.14</td>
<td>92,11</td>
<td>29,75</td>
</tr>
<tr>
<td>4,463</td>
<td>4,443</td>
<td>100.00</td>
<td></td>
<td>14,55</td>
</tr>
<tr>
<td>2,740</td>
<td>2,726</td>
<td>100.00</td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>135,329</td>
<td>135,213</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Qualifying Revolving Retail Exposures

<table>
<thead>
<tr>
<th>EAD gross in € m.</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>277</td>
<td>277</td>
<td>0.03</td>
<td>0.09</td>
<td>4.71</td>
</tr>
<tr>
<td>1,285</td>
<td>1,285</td>
<td>0.24</td>
<td>0.27</td>
<td>18,51</td>
</tr>
<tr>
<td>1,863</td>
<td>1,863</td>
<td>1.15</td>
<td>1.15</td>
<td>32,57</td>
</tr>
<tr>
<td>1,175</td>
<td>1,175</td>
<td>4,79</td>
<td>4,79</td>
<td>56,93</td>
</tr>
<tr>
<td>383</td>
<td>383</td>
<td>21.17</td>
<td>21.17</td>
<td>92,11</td>
</tr>
<tr>
<td>92</td>
<td>92</td>
<td>100.00</td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>5,129</td>
<td>5,129</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Other Retail Exposures

<table>
<thead>
<tr>
<th>EAD gross in € m.</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>384</td>
<td>384</td>
<td>0.03</td>
<td>0.09</td>
<td>4.71</td>
</tr>
<tr>
<td>1,480</td>
<td>1,480</td>
<td>0.24</td>
<td>0.27</td>
<td>18,51</td>
</tr>
<tr>
<td>7,974</td>
<td>7,974</td>
<td>1.15</td>
<td>1.15</td>
<td>32,57</td>
</tr>
<tr>
<td>12,026</td>
<td>12,051</td>
<td>4,79</td>
<td>4,79</td>
<td>56,93</td>
</tr>
<tr>
<td>5,417</td>
<td>5,481</td>
<td>21.17</td>
<td>21.17</td>
<td>92,11</td>
</tr>
<tr>
<td>2,160</td>
<td>2,118</td>
<td>100.00</td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>1,462</td>
<td>1,373</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30,902</td>
<td>31,104</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Total IRBA Exposures

<table>
<thead>
<tr>
<th>EAD gross in € m.</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>241,523</td>
<td>241,523</td>
<td>0.03</td>
<td>0.09</td>
<td>4.71</td>
</tr>
<tr>
<td>124,448</td>
<td>124,448</td>
<td>0.24</td>
<td>0.27</td>
<td>18,51</td>
</tr>
<tr>
<td>136,249</td>
<td>136,249</td>
<td>1.15</td>
<td>1.15</td>
<td>32,57</td>
</tr>
<tr>
<td>127,104</td>
<td>127,104</td>
<td>4,79</td>
<td>4,79</td>
<td>56,93</td>
</tr>
<tr>
<td>42,731</td>
<td>47,443</td>
<td>21.17</td>
<td>21.17</td>
<td>92,11</td>
</tr>
<tr>
<td>18,109</td>
<td>18,109</td>
<td>100.00</td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>12,074</td>
<td>12,074</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>702,238</td>
<td>702,238</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. The relative low risk weights in the column “Default” reflect the fact that capital requirements for defaulted exposures are principally considered as a deduction from regulatory capital equal to the difference in expected loss and allowances.

2. The 2011 amounts for the retail exposure classes have been adjusted in order to reflect predominantly the integration of the Postbank retail IRBA exposures which were disclosed separately in prior year.

The decrease in the segments corporate and institutes are largely driven by exposure decrease in derivative and security financing transactions as a result of our portfolio de-risking activities. The decrease in the central governments segment is primarily due to reduction in interest earning deposits with central banks.
The tables below show our advanced IRBA exposures excluding counterparty credit risk exposures from derivatives and SFT for central governments, institutions and corporates, distributed on our internal rating scale, showing also the PD range for each grade. Our internal ratings correspond to the respective external Standard & Poor’s rating equivalents. The EAD net is presented in conjunction with exposures-weighted average PD and LGD, the RWA and the average RW. The information is shown after credit risk mitigation obtained in the form of financial, physical and other collateral as well as guarantees and credit derivatives. The effect of double default, as far as applicable to exposures outside of Postbank is considered in the average risk weight. It implies that for a guaranteed exposure a loss only occurs if the primary obligor and the guarantor fail to meet their obligations at the same time.

### EAD net for Advanced IRBA non-retail Credit Exposures by PD Grade with Central Governments (excluding derivatives and SFTs)

<table>
<thead>
<tr>
<th>Internal rating</th>
<th>PD range in %</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>RWA in € m.</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>iAAA</td>
<td>&gt; 0.00 ≤ 0.01</td>
<td>88,889</td>
<td>0.00</td>
<td>49.65</td>
<td>181</td>
<td>0.20</td>
</tr>
<tr>
<td>iAA+</td>
<td>&gt; 0.01 ≤ 0.02</td>
<td>627</td>
<td>0.02</td>
<td>30.00</td>
<td>28</td>
<td>4.53</td>
</tr>
<tr>
<td>iAA</td>
<td>&gt; 0.02 ≤ 0.03</td>
<td>221</td>
<td>0.03</td>
<td>30.47</td>
<td>14</td>
<td>6.49</td>
</tr>
<tr>
<td>iAA-</td>
<td>&gt; 0.03 ≤ 0.04</td>
<td>81</td>
<td>0.04</td>
<td>30.20</td>
<td>11</td>
<td>13.36</td>
</tr>
<tr>
<td>iA+</td>
<td>&gt; 0.04 ≤ 0.05</td>
<td>345</td>
<td>0.05</td>
<td>49.51</td>
<td>49</td>
<td>14.32</td>
</tr>
<tr>
<td>iA</td>
<td>&gt; 0.06 ≤ 0.07</td>
<td>1,413</td>
<td>0.07</td>
<td>49.53</td>
<td>448</td>
<td>31.71</td>
</tr>
<tr>
<td>iA-</td>
<td>&gt; 0.07 ≤ 0.11</td>
<td>1,783</td>
<td>0.09</td>
<td>48.79</td>
<td>582</td>
<td>32.65</td>
</tr>
<tr>
<td>iBBB+</td>
<td>&gt; 0.11 ≤ 0.16</td>
<td>308</td>
<td>0.14</td>
<td>47.94</td>
<td>61</td>
<td>19.66</td>
</tr>
<tr>
<td>iBBB</td>
<td>&gt; 0.18 ≤ 0.30</td>
<td>616</td>
<td>0.23</td>
<td>37.91</td>
<td>241</td>
<td>39.16</td>
</tr>
<tr>
<td>iBBB-</td>
<td>&gt; 0.30 ≤ 0.50</td>
<td>1,048</td>
<td>0.39</td>
<td>48.72</td>
<td>589</td>
<td>56.23</td>
</tr>
<tr>
<td>iBB+</td>
<td>&gt; 0.50 ≤ 0.83</td>
<td>24</td>
<td>0.64</td>
<td>44.10</td>
<td>24</td>
<td>100.70</td>
</tr>
<tr>
<td>iBB</td>
<td>&gt; 0.83 ≤ 1.37</td>
<td>100</td>
<td>1.07</td>
<td>11.89</td>
<td>26</td>
<td>25.93</td>
</tr>
<tr>
<td>iBB-</td>
<td>&gt; 1.37 ≤ 2.27</td>
<td>343</td>
<td>1.76</td>
<td>1.48</td>
<td>15</td>
<td>4.40</td>
</tr>
<tr>
<td>iB+</td>
<td>&gt; 2.27 ≤ 3.75</td>
<td>42</td>
<td>2.92</td>
<td>45.08</td>
<td>57</td>
<td>133.24</td>
</tr>
<tr>
<td>iB</td>
<td>&gt; 3.75 ≤ 6.19</td>
<td>78</td>
<td>4.82</td>
<td>39.01</td>
<td>127</td>
<td>163.31</td>
</tr>
<tr>
<td>iB-</td>
<td>&gt; 6.19 ≤ 10.22</td>
<td>42</td>
<td>7.95</td>
<td>41.84</td>
<td>67</td>
<td>159.36</td>
</tr>
<tr>
<td>iCCC+</td>
<td>&gt; 10.22 ≤ 16.87</td>
<td>48</td>
<td>13.00</td>
<td>49.08</td>
<td>103</td>
<td>214.37</td>
</tr>
<tr>
<td>iCCC</td>
<td>&gt; 16.87 ≤ 27.84</td>
<td>0</td>
<td>22.00</td>
<td>11.38</td>
<td>0</td>
<td>70.77</td>
</tr>
<tr>
<td>iCCC-</td>
<td>&gt; 27.84 ≤ 99.99</td>
<td>0</td>
<td>31.00</td>
<td>3.30</td>
<td>0</td>
<td>503.75</td>
</tr>
<tr>
<td>Default</td>
<td>100.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>62.50</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>96,008</td>
<td>0.03</td>
<td>49.13</td>
<td>2,624</td>
<td>2.73</td>
</tr>
</tbody>
</table>
EAD net for Advanced IRBA non-retail Credit Exposures by PD Grade with Institutions (excluding derivatives and SFTs)
in € m. (unless stated otherwise) Dec 31, 2012

<table>
<thead>
<tr>
<th>Internal rating</th>
<th>PD range in %</th>
<th>EAD net</th>
<th>Average PD in %</th>
<th>Average LGD in %</th>
<th>RWA</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>IAAA</td>
<td>&gt; 0.00 ≤ 0.01</td>
<td>805</td>
<td>0.02</td>
<td>45.55</td>
<td>62</td>
<td>7.74</td>
</tr>
<tr>
<td>IAA+</td>
<td>&gt; 0.01 ≤ 0.02</td>
<td>187</td>
<td>0.03</td>
<td>36.23</td>
<td>21</td>
<td>10.99</td>
</tr>
<tr>
<td>IAA</td>
<td>&gt; 0.02 ≤ 0.03</td>
<td>2,836</td>
<td>0.03</td>
<td>41.91</td>
<td>131</td>
<td>4.62</td>
</tr>
<tr>
<td>IAA-</td>
<td>&gt; 0.03 ≤ 0.04</td>
<td>3,961</td>
<td>0.04</td>
<td>38.79</td>
<td>278</td>
<td>7.03</td>
</tr>
<tr>
<td>IA+</td>
<td>&gt; 0.04 ≤ 0.05</td>
<td>3,277</td>
<td>0.05</td>
<td>41.19</td>
<td>420</td>
<td>12.81</td>
</tr>
<tr>
<td>IA</td>
<td>&gt; 0.05 ≤ 0.07</td>
<td>5,013</td>
<td>0.07</td>
<td>36.60</td>
<td>635</td>
<td>12.67</td>
</tr>
<tr>
<td>IA-</td>
<td>&gt; 0.07 ≤ 0.11</td>
<td>3,486</td>
<td>0.09</td>
<td>33.68</td>
<td>534</td>
<td>15.32</td>
</tr>
<tr>
<td>iBBB+</td>
<td>&gt; 0.11 ≤ 0.18</td>
<td>750</td>
<td>0.14</td>
<td>29.67</td>
<td>178</td>
<td>23.76</td>
</tr>
<tr>
<td>iBBB</td>
<td>&gt; 0.18 ≤ 0.30</td>
<td>645</td>
<td>0.23</td>
<td>25.74</td>
<td>195</td>
<td>30.24</td>
</tr>
<tr>
<td>iBBB-</td>
<td>&gt; 0.30 ≤ 0.50</td>
<td>3,052</td>
<td>0.39</td>
<td>27.33</td>
<td>1,060</td>
<td>34.72</td>
</tr>
<tr>
<td>iBB+</td>
<td>&gt; 0.50 ≤ 0.83</td>
<td>505</td>
<td>0.64</td>
<td>17.29</td>
<td>138</td>
<td>27.22</td>
</tr>
<tr>
<td>iBB</td>
<td>&gt; 0.83 ≤ 1.37</td>
<td>1,115</td>
<td>1.07</td>
<td>13.89</td>
<td>382</td>
<td>34.26</td>
</tr>
<tr>
<td>iBB-</td>
<td>&gt; 1.37 ≤ 2.27</td>
<td>113</td>
<td>1.76</td>
<td>19.78</td>
<td>46</td>
<td>40.89</td>
</tr>
<tr>
<td>iB+</td>
<td>&gt; 2.27 ≤ 3.75</td>
<td>2,071</td>
<td>2.92</td>
<td>4.31</td>
<td>319</td>
<td>15.40</td>
</tr>
<tr>
<td>iB</td>
<td>&gt; 3.75 ≤ 6.19</td>
<td>29</td>
<td>4.80</td>
<td>7.02</td>
<td>7</td>
<td>22.54</td>
</tr>
<tr>
<td>iB-</td>
<td>&gt; 6.19 ≤ 10.22</td>
<td>17</td>
<td>7.95</td>
<td>5.61</td>
<td>4</td>
<td>24.13</td>
</tr>
<tr>
<td>iCCC+</td>
<td>&gt; 10.22 ≤ 16.87</td>
<td>11</td>
<td>13.00</td>
<td>14.84</td>
<td>8</td>
<td>67.92</td>
</tr>
<tr>
<td>iCCC</td>
<td>&gt; 16.87 ≤ 27.84</td>
<td>217</td>
<td>22.00</td>
<td>5.72</td>
<td>65</td>
<td>30.02</td>
</tr>
<tr>
<td>iCCC-</td>
<td>&gt; 27.84 ≤ 99.99</td>
<td>0</td>
<td>31.00</td>
<td>20.44</td>
<td>0</td>
<td>121.97</td>
</tr>
<tr>
<td>Default</td>
<td>100.00</td>
<td>148</td>
<td>100.00</td>
<td>14.98</td>
<td>42</td>
<td>28.45</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>28,241</td>
<td>1.07</td>
<td>32.34</td>
<td>4,525</td>
<td>16.02</td>
</tr>
</tbody>
</table>

1 Higher average PD in % than defined for the internal rating scales iAAA and iAA+ results for Institutions and Corporates exposure subject to a PD floor of 3 basis points.

The majority of these exposures in all exposure classes is assigned to investment-grade customers. The exposures in the lower rating classes are largely collateralized.
The table below shows our undrawn commitment exposure treated within the advanced IRBA, including the respective retail portfolios from Postbank. It is broken down by regulatory exposure class and also provides the corresponding exposure-weighted credit conversion factors and resulting EADs.

### Undrawn commitment exposure within the advanced IRBA by regulatory exposure class (including Postbank)

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Undrawn</td>
<td>Weighted</td>
</tr>
<tr>
<td></td>
<td>commitments</td>
<td>Credit</td>
</tr>
<tr>
<td></td>
<td>in € m.</td>
<td>Conversion</td>
</tr>
<tr>
<td>Central governments</td>
<td>847</td>
<td>84</td>
</tr>
<tr>
<td>Institutions</td>
<td>1,885</td>
<td>51</td>
</tr>
<tr>
<td>Corporates</td>
<td>135,850</td>
<td>40</td>
</tr>
<tr>
<td>Retail exposures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>secured by real estate property¹</td>
<td>6,755</td>
<td>77</td>
</tr>
<tr>
<td>Qualifying revolving</td>
<td>5,726</td>
<td>66</td>
</tr>
<tr>
<td>retail exposures¹</td>
<td>7,357</td>
<td>52</td>
</tr>
<tr>
<td>Total EAD of undrawn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>commitments in the</td>
<td>158,420</td>
<td>43</td>
</tr>
<tr>
<td>advanced IRBA¹</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ The 2011 amounts for the retail exposure classes have been adjusted in order to reflect predominantly the integration of the Postbank retail IRBA exposures which were disclosed separately in prior year.

The sub-class “Qualifying revolving retail exposure” in the above table mainly represents overdrafts or personal loans to individuals for our exposure excluding Postbank and overdrafts to business clients for Postbank exposure. Postbank’s overdrafts to private client exposure are treated under the standardized approach. The information is shown after credit risk mitigation obtained in the form of financial, physical and other collateral as well as guarantees and credit derivatives.

A year on year comparison provides a stable view on exposure values.

### Foundation Internal Ratings Based Approach

We apply the foundation IRBA for the majority of our foundation IRBA eligible credit portfolios at Postbank. 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 (“PD”) while the loss given default (“LGD”) and the credit conversion factor (“CCF”) are defined in the regulatory framework.

For the exposure classes central governments, institutions and corporates respective foundation IRBA rating systems have been developed. A probability of default is assigned to each relevant counterparty credit exposure as a function of a transparent and consistent rating master scale. The borrower ratings assigned are derived on the grounds of internally developed rating models which specify consistent and distinct customer-relevant criteria and assign a rating grade based on a specific set of criteria as given for a certain customer. The set of criteria is generated from information sets relevant for the respective customer segments like general customer behavior, financial and external data. The methods in use are based on statistical analyses and for specific portfolio segments amended by expert-based assessments while taking into account the relevant available quantitative and qualitative information. The rating systems consider external long-term ratings from the major rating agencies (i.e., Standard & Poor’s, Moody’s and Fitch Ratings).

For the foundation IRBA a default definition is applied in accordance with the requirements of Section 125 SolvV as confirmed by the BaFin as part of its IRBA approval process.

We regularly validate our rating methodologies and credit risk parameters at Postbank. Whereas the rating methodology validation focuses on the discriminatory power of the models, the risk parameter validation for PD analyzes its predictive power when compared against historical default experiences.
For the seven foundation IRBA relevant rating systems of Postbank, four were validated as appropriate and three were validated as progressive. The PD level for two rating systems was already adjusted in 2012 and the amended PD level of the remaining rating system is scheduled for 2013.

For derivative counterparty exposure treated under the foundation IRBA the current exposure method is applied. The current exposure method calculates the exposure at default as the sum of the positive fair value of derivative transactions and the respective regulatory add-on.

**Foundation IRBA Exposure**

Within the Postbank portfolios we assign our exposures to the relevant regulatory exposure class by taking into account factors like customer-specific characteristics and the rating system used. The following tables also consider Postbank’s counterparty credit risk position resulting from derivatives and SFTs as far as they are assigned to the foundation IRBA.

The table presents the EAD in conjunction with exposures-weighted average risk weights ("RW") including the counterparty credit risk position from derivatives and securities financing transactions (SFT). The information is shown after credit risk mitigation obtained in the form of financial, physical and other collateral as well as guarantors and credit derivatives. EAD gross information for exposures covered by guarantees or credit derivatives are assigned to the exposure class of the original counterparty whereas the EAD net information assigns the exposure to the protection seller.

<table>
<thead>
<tr>
<th>Foundation IRBA exposures for each regulatory IRBA exposure class by rating scale</th>
<th>Dec 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>iAAA to iAA</td>
</tr>
<tr>
<td><strong>Central Governments</strong></td>
<td></td>
</tr>
<tr>
<td>EAD gross in € m.</td>
<td>–</td>
</tr>
<tr>
<td>thereof: undrawn commitments</td>
<td>–</td>
</tr>
<tr>
<td>Average RW in %</td>
<td>22.06</td>
</tr>
<tr>
<td><strong>Institutions</strong></td>
<td></td>
</tr>
<tr>
<td>EAD gross in € m.</td>
<td>1,611</td>
</tr>
<tr>
<td>EAD net in € m.</td>
<td>1,611</td>
</tr>
<tr>
<td>thereof: undrawn commitments</td>
<td>–</td>
</tr>
<tr>
<td>Average RW in %</td>
<td>14.37</td>
</tr>
<tr>
<td><strong>Corporates</strong></td>
<td></td>
</tr>
<tr>
<td>EAD gross in € m.</td>
<td>50</td>
</tr>
<tr>
<td>EAD net in € m.</td>
<td>50</td>
</tr>
<tr>
<td>thereof: undrawn commitments</td>
<td>–</td>
</tr>
<tr>
<td>Average RW in %</td>
<td>16.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td>EAD gross in € m.</td>
<td>1,661</td>
</tr>
<tr>
<td>EAD net in € m.</td>
<td>1,661</td>
</tr>
<tr>
<td>thereof: undrawn commitments</td>
<td>–</td>
</tr>
<tr>
<td>Average RW in %</td>
<td>14.42</td>
</tr>
</tbody>
</table>
The tables below show our foundation IRBA exposures excluding counterparty credit risk exposures from derivatives and SFT for central governments, institutions and corporates, distributed on our internal rating scale, showing also the PD range for each grade. The internal ratings correspond to the respective external Standard & Poors rating equivalents. The EAD net is presented in conjunction with risk-weighted assets calculated and the average RW. The information is shown after credit risk mitigation obtained in the form of financial, physical and other collateral as well as guarantees and credit derivatives.
### EAD net for Foundation IRBA Credit Exposures by PD Grade for Institutions (excluding derivative positions and SFTs)

<table>
<thead>
<tr>
<th>Internal rating</th>
<th>PD range in %</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>RWA in € m.</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>iAAA</td>
<td>&gt; 0.00 ≤ 0.01</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iAA+</td>
<td>&gt; 0.01 ≤ 0.02</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iAA</td>
<td>&gt; 0.02 ≤ 0.03</td>
<td>917</td>
<td>0.03</td>
<td>140</td>
<td>15.31</td>
</tr>
<tr>
<td>iAA-</td>
<td>&gt; 0.03 ≤ 0.04</td>
<td>447</td>
<td>0.04</td>
<td>81</td>
<td>18.21</td>
</tr>
<tr>
<td>iA+</td>
<td>&gt; 0.04 ≤ 0.05</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iA</td>
<td>&gt; 0.05 ≤ 0.07</td>
<td>895</td>
<td>0.06</td>
<td>169</td>
<td>18.95</td>
</tr>
<tr>
<td>iA-</td>
<td>&gt; 0.07 ≤ 0.11</td>
<td>6,489</td>
<td>0.09</td>
<td>1,044</td>
<td>16.09</td>
</tr>
<tr>
<td>iBBB+</td>
<td>&gt; 0.11 ≤ 0.18</td>
<td>2,452</td>
<td>0.15</td>
<td>529</td>
<td>21.57</td>
</tr>
<tr>
<td>iBBB</td>
<td>&gt; 0.18 ≤ 0.30</td>
<td>3,029</td>
<td>0.23</td>
<td>609</td>
<td>20.09</td>
</tr>
<tr>
<td>iBBB-</td>
<td>&gt; 0.30 ≤ 0.50</td>
<td>186</td>
<td>0.38</td>
<td>52</td>
<td>27.98</td>
</tr>
<tr>
<td>iBB+</td>
<td>&gt; 0.50 ≤ 0.83</td>
<td>200</td>
<td>0.69</td>
<td>60</td>
<td>30.10</td>
</tr>
<tr>
<td>iBB</td>
<td>&gt; 0.83 ≤ 1.37</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iBB-</td>
<td>&gt; 1.37 ≤ 2.27</td>
<td>9</td>
<td>2.06</td>
<td>11</td>
<td>122.67</td>
</tr>
<tr>
<td>iB+</td>
<td>&gt; 2.27 ≤ 3.75</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iB</td>
<td>&gt; 3.75 ≤ 6.19</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iB-</td>
<td>&gt; 6.19 ≤ 10.22</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iCCC+</td>
<td>&gt; 10.22 ≤ 16.87</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iCCC</td>
<td>&gt; 16.87 ≤ 27.84</td>
<td>6</td>
<td>0.00</td>
<td>5</td>
<td>82.11</td>
</tr>
<tr>
<td>iCCC-</td>
<td>&gt; 27.84 ≤ 99.99</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Default</td>
<td>100.00</td>
<td>56</td>
<td>100.00</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>14,868</td>
<td>0.52</td>
<td>2,700</td>
<td>18.38</td>
</tr>
</tbody>
</table>

### EAD net for Foundation IRBA Credit Exposures by PD Grade for Corporates (excluding derivative positions and SFTs)

<table>
<thead>
<tr>
<th>Internal rating</th>
<th>PD range in %</th>
<th>EAD net in € m.</th>
<th>Average PD in %</th>
<th>RWA in € m.</th>
<th>Average RW in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>iAAA</td>
<td>&gt; 0.00 ≤ 0.01</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iAA+</td>
<td>&gt; 0.01 ≤ 0.02</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iAA</td>
<td>&gt; 0.02 ≤ 0.03</td>
<td>37</td>
<td>0.03</td>
<td>6</td>
<td>15.31</td>
</tr>
<tr>
<td>iAA-</td>
<td>&gt; 0.03 ≤ 0.04</td>
<td>13</td>
<td>0.04</td>
<td>2</td>
<td>18.44</td>
</tr>
<tr>
<td>iA+</td>
<td>&gt; 0.04 ≤ 0.05</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iA</td>
<td>&gt; 0.05 ≤ 0.07</td>
<td>225</td>
<td>0.06</td>
<td>50</td>
<td>22.12</td>
</tr>
<tr>
<td>iA-</td>
<td>&gt; 0.07 ≤ 0.11</td>
<td>1,341</td>
<td>0.10</td>
<td>427</td>
<td>31.86</td>
</tr>
<tr>
<td>iBBB+</td>
<td>&gt; 0.11 ≤ 0.18</td>
<td>1,194</td>
<td>0.15</td>
<td>469</td>
<td>39.30</td>
</tr>
<tr>
<td>iBBB</td>
<td>&gt; 0.18 ≤ 0.30</td>
<td>2,938</td>
<td>0.23</td>
<td>1,481</td>
<td>50.41</td>
</tr>
<tr>
<td>iBBB-</td>
<td>&gt; 0.30 ≤ 0.50</td>
<td>2,226</td>
<td>0.36</td>
<td>1,447</td>
<td>64.99</td>
</tr>
<tr>
<td>iBB+</td>
<td>&gt; 0.50 ≤ 0.83</td>
<td>1,796</td>
<td>0.69</td>
<td>1,536</td>
<td>85.53</td>
</tr>
<tr>
<td>iBB</td>
<td>&gt; 0.83 ≤ 1.37</td>
<td>634</td>
<td>1.23</td>
<td>663</td>
<td>104.64</td>
</tr>
<tr>
<td>iBB-</td>
<td>&gt; 1.37 ≤ 2.27</td>
<td>291</td>
<td>2.06</td>
<td>357</td>
<td>122.63</td>
</tr>
<tr>
<td>iB+</td>
<td>&gt; 2.27 ≤ 3.75</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>iB</td>
<td>&gt; 3.75 ≤ 6.19</td>
<td>77</td>
<td>3.78</td>
<td>115</td>
<td>149.52</td>
</tr>
<tr>
<td>iB-</td>
<td>&gt; 6.19 ≤ 10.22</td>
<td>45</td>
<td>7.26</td>
<td>78</td>
<td>174.28</td>
</tr>
<tr>
<td>iCCC+</td>
<td>&gt; 10.22 ≤ 16.87</td>
<td>10</td>
<td>12.76</td>
<td>19</td>
<td>198.09</td>
</tr>
<tr>
<td>iCCC</td>
<td>&gt; 16.87 ≤ 27.84</td>
<td>160</td>
<td>18.00</td>
<td>452</td>
<td>282.66</td>
</tr>
<tr>
<td>iCCC-</td>
<td>&gt; 27.84 ≤ 99.99</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Default</td>
<td>100.00</td>
<td>551</td>
<td>100.00</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>–</td>
<td>11,538</td>
<td>5.48</td>
<td>7,102</td>
<td>61.55</td>
</tr>
</tbody>
</table>

### Other IRBA Exposure

As an IRBA institution, we are required to treat equity investments, collective investment undertakings (“CIU”) and other non-credit obligation assets generally within the IRBA. For these exposure types typically regulatory-defined IRBA risk weights are applied.

We use the simple risk-weight approach according to Section 98 SolV for our investments in equity positions entered into since January 1, 2008. It distinguishes between exposure in equities which are non-exchange traded but sufficiently diversified, exchange-traded and other non-exchange-traded and then uses the regulatory-defined risk weights of 190 %, 290 % or 370 %, respectively.
For certain CIU exposures we apply the “look through”-treatment which constitutes a decomposition of the CIU into its underlying investments. If such decomposition is performed the underlying investment components are assigned to their respective exposure class – either within the IRBA or standardized approaches – as if they were directly held. A sub-portion of our CIU exposures resulting from Postbank is covered within the standardized approach by applying risk weights provided by third parties in line with Section 83 (5) SolvV. More details on Postbank’s CIU exposures covered in the standardized approach are provided in Section “Standardized Approach”. For the remaining collective investment undertakings the simple risk weight of 370 % is applied and assigned to the exposure class “equity investments”.

Exposures which are assigned to the exposure class “other non-credit obligation assets” receive an IRBA risk weight of 0 % in case of cash positions or 100 %.

The following table summarizes on an EAD basis our IRBA exposure for equities, CIUs and other non-credit obligation assets, where regulatory risk weights are applied. Credit risk mitigation techniques have not been applied. The decreases mainly result from pension assets, which are reported under the standardized approach following a change in the methodology applied, as well as asset disposals.

<table>
<thead>
<tr>
<th>EAD of equity investments, CIUs and other non-credit obligation assets by risk weight</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 %</td>
<td>2,182</td>
<td>1,912</td>
</tr>
<tr>
<td>100 %</td>
<td>6,180</td>
<td>7,366</td>
</tr>
<tr>
<td>190 %</td>
<td>109</td>
<td>210</td>
</tr>
<tr>
<td>290 %</td>
<td>218</td>
<td>350</td>
</tr>
<tr>
<td>370 %</td>
<td>1,248</td>
<td>2,186</td>
</tr>
<tr>
<td>1250 %</td>
<td>794</td>
<td></td>
</tr>
<tr>
<td>Total EAD of equity investments, CIUs and other non-credit obligation assets</td>
<td>9,936</td>
<td>12,818</td>
</tr>
</tbody>
</table>

1 Decrease results from method change being applied to pension assets.

The table below summarizes on an EAD basis our IRBA exposure for specialized lending. The exposures comprise commercial loans for residential construction, loans to property developers, operator models, real estate and equipment leasing, real estate located outside Germany, and private mortgage loans financing the construction of properties with more than ten residential units as well as project finance exposures. For the calculation of minimum capital requirements regulatory risk weights are applied where potential risk mitigating factors are already considered in the assignment of a risk weight to a specific structure. Additional credit risk mitigation techniques have not been applied.

The increase primarily relates to Deutsche Bank positions formerly being calculated under the Standardized Approach.

<table>
<thead>
<tr>
<th>Other IRBA exposure for specialized lending by risk weight</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk weight category 1 (strong)</td>
<td>14,008</td>
<td>12,328</td>
</tr>
<tr>
<td>Risk weight category 2 (good)</td>
<td>1,443</td>
<td>1,033</td>
</tr>
<tr>
<td>Risk weight category 3 (satisfactory)</td>
<td>477</td>
<td>811</td>
</tr>
<tr>
<td>Risk weight category 4 (weak)</td>
<td>177</td>
<td>329</td>
</tr>
<tr>
<td>Risk weight category 5 (defaulted)</td>
<td>1,568</td>
<td>1,960</td>
</tr>
<tr>
<td>Total EAD of specialized lending</td>
<td>17,673</td>
<td>16,461</td>
</tr>
</tbody>
</table>

Standardized Approach

We treat a subset of our credit risk exposures within the standardized approach. 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.

We assign certain credit exposures permanently to the standardized approach in accordance with Section 70 SolvV. 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 re-
quired conditions. These exposures make up more than half of the exposures carried in the standardized approach and receive predominantly a risk weight of zero percent. For internal purposes, however, these exposures are assessed via an internal credit assessment and fully integrated in the risk management and economic capital processes.

In line with Section 66 SolvV, we assign further – generally IRBA eligible – exposures permanently to the standardized approach. This population comprises several small-sized portfolios, which are considered to be immaterial on a stand-alone basis for inclusion in the IRBA.

Other credit exposures which are small in size are temporarily assigned to the standardized approach and we plan to transfer them to the IRBA over time. The prioritization and the corresponding transition plan is discussed and agreed with the competent authorities, the BaFin and the Bundesbank.

Equity positions entered into before January 1, 2008 are subject to the transitional arrangement to exempt them from the IRBA and a risk weight of 100 % is applied according to the standardized approach treatment.

In order to calculate the regulatory capital requirements under the standardized approach, we use eligible external ratings from Standard & Poor’s, Moody’s, Fitch Ratings and in some cases from DBRS. DBRS ratings are applied in the standardized approach for a small number of exposures since 2009. Ratings are applied to all relevant exposure classes in the standardized approach. If more than one rating is available for a specific counterparty, the selection criteria as set out in Section 44 SolvV are applied in order to determine the relevant risk weight for the capital calculation. Moreover, given the low volume of exposures covered under the standardized approach and the high percentage of (externally rated) central government exposures therein, we do not infer borrower ratings from issuer ratings.

Our exposure values in the standardized approach by risk weight is shown before and after credit risk mitigation obtained in the form of eligible financial collateral, guarantees and credit derivatives excluding Postbank’s CIU exposures assigned to the standardized approach which are displayed in the table “EAD of CIUs of Postbank in the Standardized Approach by Risk Weight” thereafter, and excluding exposure subject to settlement risk.

The overall decrease is mainly driven by reductions in central banks related exposures as well as due to changes in model approvals partially offset by inclusion of our pension assets which formally have been calculated under the advanced IRBA.

### Exposure values in the standardized approach by risk weight

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Before credit risk mitigation</th>
<th>After credit risk mitigation</th>
<th>Before credit risk mitigation</th>
<th>After credit risk mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 %</td>
<td>100,714</td>
<td>103,605</td>
<td>115,572</td>
<td>118,762</td>
</tr>
<tr>
<td>5 %</td>
<td>46</td>
<td>46</td>
<td>983</td>
<td>983</td>
</tr>
<tr>
<td>10 %</td>
<td>2,002</td>
<td>2,278</td>
<td>2,509</td>
<td>4,265</td>
</tr>
<tr>
<td>20 %</td>
<td></td>
<td></td>
<td>2,002</td>
<td>2,278</td>
</tr>
<tr>
<td>22 %</td>
<td></td>
<td></td>
<td>2,002</td>
<td>2,278</td>
</tr>
<tr>
<td>35 %</td>
<td>2,616</td>
<td>2,608</td>
<td>4,059</td>
<td>4,046</td>
</tr>
<tr>
<td>50 %</td>
<td>4,219</td>
<td>4,308</td>
<td>5,242</td>
<td>5,388</td>
</tr>
<tr>
<td>55 %</td>
<td>1,018</td>
<td>1,018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>75 %</td>
<td>30,450</td>
<td>25,125</td>
<td>17,897</td>
<td>14,705</td>
</tr>
<tr>
<td>100 %</td>
<td>31,187</td>
<td>21,419</td>
<td>41,009</td>
<td>25,680</td>
</tr>
<tr>
<td>110 %</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>150 %</td>
<td>1,055</td>
<td>999</td>
<td>1,411</td>
<td>1,401</td>
</tr>
<tr>
<td>Total EAD in the standardized approach</td>
<td><strong>173,307</strong></td>
<td><strong>161,406</strong></td>
<td><strong>188,683</strong></td>
<td><strong>175,230</strong></td>
</tr>
</tbody>
</table>
The table above comprises bonds in the form of collective investment undertakings assigned to the standardized approach based on a "look through"-treatment as well as the exposure values for collective investment undertakings with risk weights calculated by third parties in the standardized approach by risk weight. Credit risk mitigation techniques have not been applied.

**Regulatory Application of Credit Risk Mitigation Techniques**

Risk-weighted assets and regulatory capital requirements can be managed actively by credit risk mitigation techniques. As a prerequisite for recognition in regulatory calculations, we must adhere to certain minimum requirements as stipulated in the SolvV regarding collateral management, monitoring processes and legal enforceability.

The range of collateral being eligible for regulatory recognition is dependent predominantly on the regulatory capital calculation method used for a specific risk position. The principle is that a higher degree of sophistication with regard to the underlying methodology generally leads to a wider range of admissible collateral and options to recognize protection via guarantees and credit derivatives. However, also the minimum requirements to be adhered to and the mechanism available to reflect the risk mitigation benefits are predominantly a function of the regulatory calculation method applied.

The advanced IRBA generally accepts all types of financial collateral, as well as real estate, collateral assignments and other physical collateral. In our application of the advanced IRBA, there is basically no limitation to the range of accepted collateral as long as we can demonstrate to the competent authorities that reliable estimates of the collateral values can be generated and that basic requirements are fulfilled.

The same principle holds true for taking benefits from guarantee and credit derivative arrangements. Within the advanced IRBA, again there are generally no limitations with regard to the range of eligible collateral providers as long as some basic minimum requirements are met. However, collateral providers’ credit quality and other relevant factors are incorporated through our internal models.

In our advanced IRBA calculations financial and other collateral is generally considered through an adjustment to the applicable LGD as the input parameter for determining the risk weight. For recognizing protection from guarantees and credit derivatives, generally a PD substitution approach is applied, i.e., within the advanced IRBA risk-weight calculation the PD of the borrower is replaced by the protection seller’s or guarantor’s PD. However, for certain guaranteed exposures and certain protection providers the so-called double default treatment is applicable. The double default effect implies that for a guaranteed exposure a loss only occurs if the originator and the guarantor fail to meet their obligations at the same time.
### Advanced IRBA exposure values before and after credit risk mitigation

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total EAD</td>
<td>Eligible advanced IRBA collateral</td>
</tr>
<tr>
<td>Central governments</td>
<td>95,662</td>
<td>1,742</td>
</tr>
<tr>
<td>Institutions</td>
<td>66,368</td>
<td>21,677</td>
</tr>
<tr>
<td>Corporates</td>
<td>294,463</td>
<td>79,870</td>
</tr>
<tr>
<td>Retail</td>
<td>182,940</td>
<td>128,839</td>
</tr>
<tr>
<td>Total</td>
<td>639,433</td>
<td>232,128</td>
</tr>
</tbody>
</table>

1. Excludes collateralization which is reflected in the EPE measure.
2. Includes exposure subject to dilution risk of € 793 million per end 2012 and € 1.1 billion per year end 2011.
3. Due to changes in methodology collateral values from BHW are now included in the segment retail which are € 25.4 billion per year 2012 and € 25.3 billion per year end 2011.

The foundation IRBA sets stricter limitations with regard to the eligibility of credit risk mitigation compared to the advanced IRBA but allows for consideration of financial collateral, guarantees and credit derivatives as well as other foundation IRBA-eligible collateral like mortgages and security assignments.

The financial collateral recognised in the foundation IRBA essentially comprises cash, bonds and other securities related to repo lending.

### Collateralized counterparty credit risk exposure in the Foundation IRBA by exposure class

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total EAD</td>
<td>Financial collateral</td>
</tr>
<tr>
<td>Central governments</td>
<td>101</td>
<td>–</td>
</tr>
<tr>
<td>Institutions</td>
<td>22,594</td>
<td>6,919</td>
</tr>
<tr>
<td>Corporates</td>
<td>12,242</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>34,937</td>
<td>6,919</td>
</tr>
</tbody>
</table>

In the standardized approach, collateral recognition is limited to eligible financial collateral, such as cash, gold bullion, certain debt securities, equities and CIUs, in many cases only with their volatility-adjusted collateral value. In its general structure, the standardized approach provides a preferred (lower) risk-weight for “claims secured by real estate property”. Given this preferred risk-weight real estate is not considered a collateral item under the standardized approach. Further limitations must be considered with regard to eligible guarantee and credit derivative providers.

In order to reflect risk mitigation techniques in the calculation of capital requirements we apply the financial collateral comprehensive method since the higher sophistication of that method allows a broader range of eligible collateral. Within this approach, financial collateral is reflected through a reduction in the exposure value of the respective risk position, while protection taken in the form of guarantees and credit derivatives is considered by means of a substitution, i.e., the borrower’s risk weight is replaced by the risk weight of the protection provider.
Exposure values in the standardized approach by exposure class

<table>
<thead>
<tr>
<th>Exposure Class</th>
<th>Dec 31,2012</th>
<th>Dec 31,2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total EAD</td>
<td>Financial collateral</td>
</tr>
<tr>
<td>Central governments</td>
<td>75,051</td>
<td>55</td>
</tr>
<tr>
<td>Regional governments and local authorities</td>
<td>19,253</td>
<td>0</td>
</tr>
<tr>
<td>Other public sector entities</td>
<td>3,219</td>
<td>4</td>
</tr>
<tr>
<td>Multilateral development banks</td>
<td>578</td>
<td>–</td>
</tr>
<tr>
<td>International organizations</td>
<td>411</td>
<td>–</td>
</tr>
<tr>
<td>Institutions</td>
<td>4,480</td>
<td>123</td>
</tr>
<tr>
<td>Covered bonds issued by credit institutions</td>
<td>52</td>
<td>–</td>
</tr>
<tr>
<td>Corporates</td>
<td>27,454</td>
<td>7,770</td>
</tr>
<tr>
<td>Retail</td>
<td>12,341</td>
<td>1,852</td>
</tr>
<tr>
<td>Claims secured by real estate property</td>
<td>6,253</td>
<td>15</td>
</tr>
<tr>
<td>Collective investment undertakings¹</td>
<td>2,599</td>
<td>–</td>
</tr>
<tr>
<td>Equity investments</td>
<td>3,517</td>
<td>–</td>
</tr>
<tr>
<td>Other items</td>
<td>19,390</td>
<td>–</td>
</tr>
<tr>
<td>Past due items</td>
<td>1,325</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>175,923</strong></td>
<td><strong>9,834</strong></td>
</tr>
</tbody>
</table>

¹ Includes Postbank’s CIU exposures assigned to the standardized approach.

The decreases in EAD are primarily driven by exposure decreases in overnight loans for central banks in the segment central governments and by decreases in derivative exposure in the segment corporates. The predominant part of the EAD in the segment retail is shifted to advanced IRBA due to newly approved IRBA rating systems.

Securitization

The following section on Securitization, ending on page 134, presents specific disclosures in relation to Pillar 3. Per regulation it is not required to audit Pillar 3 disclosures. As such this section is labeled unaudited. Quantitative information presented follows the regulatory scope of consolidation.

Overview of our Securitization Activities

We engage in various business activities that use securitization structures. The main purposes of this are to provide clients with access to risk and returns related to specific portfolios of assets, to provide clients with access to funding and to manage our credit risk exposure.

A participant in the securitization market can typically adopt three different roles: as originator, sponsor or investor. An originator is an institution which is involved, either itself or through its related entities, directly or indirectly, in the origination or purchase of the securitized exposures. In a sponsorship role, an institution establishes and manages an asset-backed commercial paper program (“ABCP”) or other securitization transaction, but has neither originated nor taken the purchased assets on its balance sheet. All other securitization positions entered into by us are assumed in the capacity as an investor. In order to achieve our business objectives we act in all three roles on the securitization markets.

Banking Book Securitizations

As an originator, we use securitizations primarily as a strategy to reduce credit risk, mainly through the Credit Portfolio Strategies Group (“CPSG”). It uses, among other means, synthetic securitizations to manage the credit risk of loans and lending-related commitments of the international investment-grade portfolio, leveraged portfolio, and the medium-sized German companies’ portfolio within the CB&S corporate division. The credit risk is predominantly transferred to counterparties through synthetic collateralized loan obligations mainly in the form of financial guarantees and, to a lesser extent, as credit derivatives providing first loss protection.
The overall volume of credit risk transfer as originator showed a moderate reduction for PBC during 2012, and decreased more significantly for GTB and CB&S. This resulted mainly from the termination and regulatory derecognition of credit risk coverage on European assets related to small and medium entities (“SME”) and European and American assets related to large entities and institutions. On the other hand, the Global Markets business division of CB&S entered into two new synthetic re-securitisations of its own trading book securities in the amount of € 590 million. While in both transactions the mezzanine tranches were sold into the market, we hold the retained tranches in the regulatory banking book.

On a limited basis we have entered into securitization transactions as part of an active liquidity risk management strategy during 2008 and 2009. These transactions do not transfer credit risk and are therefore not included in the quantitative part of this section.

We set up, sponsor and administer a number of ABCP programs through which we securitize assets acquired from third parties. These programs provide customers with access to funding in the commercial paper (“CP”) market and create investment products for clients. Each program consists of a commercial paper issuing special purpose entity (the so-called “conduit”) and one or more supporting SPEs through which the assets are purchased. The conduits and the SPEs are organized as limited liability companies or in an equivalent legal form. The assets securitized through the ABCP programs include auto loans, auto leases, auto dealer floor plan receivables, student loans, credit card receivables, trade receivables, capital call receivables, residential and commercial mortgage loans, future flows and other assets. As administrative agent for the CP programs, we facilitate the purchase of non-Deutsche Bank Group loans, securities and other receivables by the CP conduit (“conduit”), which then issues to the market high-grade, short-term CP, collateralized by the underlying assets, to fund the purchase. The conduits require sufficient collateral, credit enhancements and liquidity support to maintain an investment grade rating for the CP. We are acting as provider of liquidity and credit enhancement to these conduits with facilities recorded in our regulatory banking book. There are also instances in which we will face the conduit on foreign exchange and interest rate swaps which are recorded in the trading book.

Furthermore, we act as an investor in third party securitizations through the purchase of third party-issued securitizations or tranches, or provide liquidity/credit support, to which we – and in some instances other parties – provide financing. Additionally, we assist third party securitizations by providing derivatives related to securitization structures. These include currency, interest rate, equity and credit derivatives.

Nearly half of our securitization book in 2012 relates to origination activity, predominantly through transactions for CPSG, i.e., from de-risking activity for our existing loan portfolio. Of the remainder, for approximately two thirds we assumed the investor role, and for the rest we acted as sponsor.

During 2012 the total securitization book decreased by € 12 billion to € 65 billion. Main drivers were the termination/regulatory derecognition of credit risk coverage mentioned above, and the ongoing de-risking strategy pursued throughout the year. Approximately two thirds of this reduction relate to loans to Corporates and SMEs.

Overall, the securitization positions are exposed to the performance of diverse asset classes, including primarily corporate senior loans or unsecured debt, consumer debt such as auto loans or student loans, as well as residential- or commercial 1st and 2nd lien mortgages. We are active across the entire capital structure with an emphasis on the more senior tranches. The subset of re-securitization is predominantly backed by US residential mortgage-backed mezzanine securities.

Primary recourse for securitization exposures lies with the underlying assets. The related risk is mitigated by credit enhancement typically in the form of overcollateralization, subordination, reserve accounts, excess interest, or other support arrangements. Additional protection features include performance triggers, financial covenants and events of default stipulated in the legal documentation which, when breached, provide for the acceleration of repayment, rights of foreclosure and/or other remediation.
All securitization exposures are subject to regular performance reviews which include checks of the periodic servicer reports against any performance triggers/covenants in the loan documentation, as well as the overall performance trend in the context of economic, geographic, sector and servicer developments. Monitoring of the re-securitization subset takes into consideration the performance of the securitized tranches’ underlying assets, to the extent available.

For longer-term lending-related commitments an internal rating review is required at least annually. Significant negative (or positive) changes in asset performance can trigger an earlier review date. Full credit reviews also are required annually, or, for highly rated exposures, every other year. Furthermore, there is a separate, usually quarterly, watch list process for exposures identified to be at a higher risk of loss, which requires a separate assessment of asset and servicer performance. It includes a review of the exposure strategy and identifies next steps to be taken to mitigate loss potential. There is no difference in approach for re-securitization transactions.

Securitization activities have an impact on our liquidity activity. On one hand, we have entered into securitization transactions as part of an active liquidity risk management strategy during 2008 and 2009, as mentioned before. On the other hand, we are exposed to potential drawdown under liquidity backstop facilities supporting the Deutsche Bank-sponsored asset-backed commercial paper or other revolving commitments. This liquidity risk is monitored by our Treasury department and is included in our liquidity planning and regular stress testing.

Evaluation of structural integrity is another important component of risk management for securitization, focusing on the structural protection of a securitization as defined in the legal documentation (e.g., perfection of security interest, segregation of payment flows, and rights to audit). The evaluation for each securitization is performed by a dedicated team who engages third-party auditors, determines audit scopes, and reviews the results of such external audits. The results of these risk reviews and assessments complement the credit and rating review process performed by Credit Risk Management.

We have identified part of the existing book of securitization transactions as “legacy book” earmarked for de-risking. Although such a non-core book was introduced earlier for Securitisation it now forms part of our NCOU. De-risking generally means that existing transactions are either partially or completely sold into the market, as far as adequate prices can be achieved. During the remaining hold period these positions benefit from reduction through amortization, where applicable. In 2012, this legacy book experienced a net decrease by € 6.8 billion to € 18.7 billion.

Hedging requirements for securitization exposures are mandated in the context of each individual credit approval, and are re-visited at each internal credit or rating review. However, credit risk management is conducted mostly through avoidance of undue risk concentration on borrower, servicer and asset class levels. Higher initial underwritings are de-risked to a final hold mandated in the credit approval mainly through syndication, or sales in the secondary market. Success of de-risking is being monitored and reported regularly to senior management. There is only very limited credit hedging activity in the banking book.

Furthermore, in the context of structuring securitization transactions, hedging usually takes place to insulate the SPE from interest rate and cross-currency risk – as far as required depending on the assets being included. When this hedging is provided by us, the related counterparty risk to the securitization structure is included in the Credit Risk Management review process and reported below as part of the banking book exposure despite effectively being part of our trading book. If this hedging is not provided by us, it is largely conducted with large international financial institutions with strong financials. Such indirect counterparty risk is reported to the hedging counterparty’s credit officer to become part of his/her credit evaluation.

Trading Book Securitizations
In the trading book, we act as originator, sponsor and investor. In the role of investor, our main objective is to serve as a market maker in the secondary market. The market making function consists of providing two way markets (buy and sell) to generate flow trading revenues and provide liquidity for customers. In the role of
originator, we predominately engage in short synthetic single tranche CDOs (SST-CDOs) backed by loans to corporates or SMEs. Also in our role as originator, we finance loans to be securitized; in the current market environment our role in financing loans to be securitized is predominantly being performed in the commercial real estate business. Trading book activities where we have the role of a sponsor (i.e. excluding activities derived from multi-seller originator transactions) are minimal.

We hold a portfolio of asset backed securities ("ABS") correlation trades within the NCOU portfolio that is in the process of being wound down. Other than de-risking the position, no new activity is being performed. The positions are being actively risk managed and are part of Market Risk Management’s Governance Framework (described below).

Our securitization desks trade assets across all capital structures, from senior bonds with large subordination to first loss subordinate tranches, across both securitizations and re-securitizations. Our exposure to re-securitizations in the trading book is € 858 million comprised mostly of collateralized loan obligations (including a bucket of securitization) and a median rating of A-. The varying degrees of risk along the capital structure are reflected by the price in which the asset trades; this is because the market requires minimum loss adjusted returns on their investments. Securitization positions consist mostly of residential mortgage backed securities ("RMBS") and commercial mortgage backed securities ("CMBS") backed by first and second lien loans, collateralized loan obligations ("CLOs") backed by corporate senior loans and unsecured debt and consumer ABS backed by secured and unsecured credit.

Securitized trading volume is linked to global growth. A slowdown can lead to decreased liquidity and lower trading volumes, as observed in the second half of 2011. Investor demand strengthened in 2012 for securities products as global economies stabilized and liquidity returned to the market. Other potential risks that exist in securitized assets are prepayment, default and severity uncertainty and servicer performance risk. Note that trading book assets are marked to market and the previous mentioned risks are reflected in the position’s price.

Our Market Risk Management Governance Framework applies to all securitization positions held within the trading book. The Risk Governance Framework applied to securitization includes policies and procedures with respect to new product approvals and new transaction approvals as well as inventory management systems and trade entry. The Risk Governance Framework applied to securitization also includes policies and procedures with respect to risk models and measurements. All securitization positions are captured and measured within value-at-risk, stressed value-at-risk, and economic capital. The measurements are dependent upon internal and external models and processes, which includes the use of third-party assessments of risks associated with the underlying collateral. Furthermore the Risk Governance Framework includes risk reporting and limits, at the global, regional and product levels. All securitization positions held within the trading book are captured, reported and limited within this framework and changes in credit and market risks are reported. The limit structure includes value-at-risk and market value product specific limits. Under the limit framework, asset class market value limits are based on seniority/rating where lower rated positions are given a lower trading limit. The limit monitoring system captures exposures and flags any threshold breaches. Market Risk Management approval is required for any trades over the limit. The processes for securitization and re-securitizations are similar.

Our Traded Credit Positions (“TCP”) process captures the issuer risk for securitization positions in the trading book. TCP-Securitization manages concentration risks and sets position level limits based on asset class and rating. Positions with lower ratings are assigned lower trading limits. Limit management reports are produced to ensure position level limit compliance and to detect any potential limit breaches. When positions exceed the respective market value limits on a global basis, TCP approval is required. In addition collateral level stress testing and performance monitoring is incorporated into the risk management process. The Traded Credit Positions process covers both securitizations and re-securitizations.

The securitization desks incorporate a combination of macro and position level hedges to mitigate credit, interest rate and certain tail risks on the entire securitization portfolio. Duration and credit sensitivities (DV01s and
CS01s) are the primary risk sensitivity measures used to calculate appropriate hedges. Some of the hedging products utilized include vanilla interest rate swaps, US Treasury bonds and product specific liquid indices. The market risks of the hedges (both funded and unfunded) are incorporated and managed within our Market Risk Management Governance Framework as described above; and, the counterparty risks of the hedges (both funded and unfunded), which are comprised primarily of major global financial institutions, are managed and approved through a formalized risk management process performed by Credit Risk Management.

**Accounting and Valuation Policies for Securitizations**

Our accounting policies are included in Note 01 “Significant Accounting Policies”. The most relevant accounting policies for the securitisation programmes originated by us, and where we hold assets purchased with the intent to securitize, are “Principles of Consolidation”, “Financial Assets and Financial Liabilities” and “Derecognition of Financial Assets and Financial Liabilities”, see also Note 15 “Financial Instruments carried at Fair Value”.

**Types of Special Purposes Entities used by Deutsche Bank as Sponsor of Securitizations**

We establish and administer as sponsor asset-backed commercial paper (“ABCP”) programs through which we securitize assets acquired from third parties. Each program consists of a commercial paper issuing special purpose entity (the so-called “conduit”) and one or more supporting SPE through which the assets are purchased. The conduits and the SPEs are organized as limited liability companies or in an equivalent legal form. The assets securitized through the ABCP programs include auto loans, auto leases, auto dealer floor plan receivables, student loans, credit card receivables, trade receivables, capital call receivables, residential and commercial mortgage loans, future flows and other assets.

We assume both on-balance sheet exposure and off-balance sheet exposure which stems from liquidity facilities granted to the SPEs or the related conduit, letters of credit, total return swaps or similar credit enhancements, interest rate and foreign exchange related derivatives and commercial papers.

Occasionally, on a transaction by transaction basis, we assist special purpose entities in acquiring third party assets where we, considering our overall contribution e.g., our influence on selecting the securitized assets and structuring the tranches, qualify as sponsor. This type of transactions may include multi-seller securitizations where a small portion of the securitized assets were originated by us, e.g., performing and non-performing residential and commercial mortgage loans. We assume on-balance sheet exposure and off-balance sheet exposure including first loss tranches or interest rate and foreign exchange related derivatives.

We as originator or sponsor of a securitization transaction sell ABCPs and other securitization tranches (or arrange for such sale through mandated market making institutions) solely on an “execution only” basis and only to sophisticated operative corporate clients that rely on their own risk assessment. In the ordinary course of business, we do not offer such tranches to operative corporate clients to which, at the same time, we offer investment advisory services.

**Regulatory Securitization Framework**

Section 1b of the German Banking Act (Kreditwesengesetz – KWG) defines which types of transactions and positions must be classified as securitization transactions and securitization positions for regulatory reporting.

Securitization transactions are basically defined as transactions in which the credit risk of a securitized portfolio is divided into at least two securitization tranches and where the payments to the holders of the tranches depend on the performance of the securitized portfolio. The different tranches are in a subordinate relationship that determines the order and the amount of payments or losses assigned to the holders of the tranches (waterfall). Loss allocations to a junior tranche will not already lead to a termination of the entire securitization transaction, i.e., senior tranches survive loss allocations to subordinate tranches.
Securitization positions can be acquired in various forms including investments in securitization tranches, derivative transactions for hedging interest rate and currency risks included in the waterfall, liquidity facilities, credit enhancements, unfunded credit protection or collateral for securitization tranches.

The approach for the calculation of the regulatory capital requirements for banking book and trading book securitization positions is prescribed by the German solvency regulation (Solvabilitätsverordnung – “SolvV”).

**Calculation of Regulatory Capital Requirements for Banking Book Securitizations**

The regulatory capital requirements for the credit risk of banking book securitizations are determined based on the securitization framework pursuant to Sections 225 to 268 SolvV, which distinguishes between credit risk standardized approach (“CRSA”)-securitization positions and internal ratings based approach (“IRBA”)-securitization positions. The classification of securitization positions as either CRSA- or IRBA-securitization positions depends on the nature of the securitized portfolio. Basically, CRSA-securitization positions are those where the securitized portfolio predominantly includes credit risk exposures, which would qualify as CRSA-exposures under the credit risk framework if they would be held by us directly. Otherwise, if the majority of the securitized portfolio would qualify as IRBA-exposures, the securitization positions qualify as IRBA-securitization positions.

The risk weights of CRSA-securitization positions are derived from their relevant external ratings, when applicable. External ratings must satisfy certain eligibility criteria for being used in the risk weight calculation. Eligible external ratings are taken from Standard & Poor’s, Moody’s, Fitch Ratings and DBRS. If more than one eligible rating is available for a specific securitization position, the relevant external rating is determined as the second best eligible rating in accordance with the provisions set forth in Sections 236 to 237 SolvV. CRSA-securitization positions with no eligible external rating are deducted from liable capital unless they qualify for the application of the risk concentration approach pursuant to Section 243 (2) SolvV which might lead to a risk weight below 1250 %.

The risk weight of IRBA-securitization positions is determined according to the following hierarchy:

— If one or more eligible external ratings exist for the IRBA-securitization position, or if an external rating can be inferred from an eligible external rating of a benchmark securitization position, the risk weight is derived from the relevant external rating (ratings based approach).
— Otherwise, if no eligible external rating exists or can be inferred, the risk weight of the IRBA-securitization position will generally be determined based on the supervisory formula approach pursuant to Section 258 SolvV or the internal assessment approach pursuant to Section 259 SolvV.
— If neither of the aforementioned approaches can be applied, the position is deducted from liable capital.

The ratings based approach applies to the largest part of our IRBA- and CRSA-securitization positions, largely in the lower (better) risk weight bands. We use mainly the external ratings of Standard & Poor’s, Moody’s and Fitch Ratings and DBRS only to a lesser extent. The majority of securitization positions with an eligible external or inferred external credit assessment are retained positions of our synthetic securitizations or securitization positions held as investor. The risk concentration approach is applied to a few CRSA-securitization exposures that are small compared to the total amount of our banking book securitization exposures. The scope of application of the supervisory formula approach and of the internal assessment approach is described below.

There is no securitization position for which we have applied the special provisions for originators of securitization transactions which include an investor’s interest to be recognized by the originator pursuant to Section 245 et seq. respectively Section 262 et seq. SolvV.
Supervisory Formula Approach and Internal Assessment Approach

The risk weight of securitization positions subject to the supervisory formula approach (“SFA”) is determined based on a formula which takes as input the capital requirement of the securitized portfolio and the seniority of the securitization position in the waterfall, amongst others. When applying the SFA, we estimate the risk parameters PD and LGD for the assets included in the securitized portfolio, by using internally developed rating systems approved for such assets. We continue to develop new rating systems for homogenous pools of assets to be applied to assets that have not been originated by us. The rating systems are based on historical default and loss information from comparable assets. The risk parameters PD and LGD are derived on risk pool level.

Approximately 40% of the total banking book securitization positions are subject to the SFA. This approach is predominantly used to rate positions backed by corporate loans, auto-related receivables and commercial real estate.

For unrated IRBA-securitization positions which are related to ABCP programs and which are not asset backed commercial paper, the risk weight is calculated based on the internal assessment approach (“IAA”). Apart from using this concept for regulatory purposes, the internal rating is used for expected loss and economic capital calculations and plays a significant role in the credit decision and monitoring process.

We have received approval from BaFin to apply the IAA to approximately 85% of our ABCP conduit securitization exposure.

Asset classes subject to IAA are governed by a specific and detailed set of rules per asset class. These asset class write-ups (“ACW”) have been established in cooperation between all relevant departments of the bank including Credit Risk Management, Risk Analytics and Instruments and the Front Office. They are reviewed and approved in a formal internal process, and subject to an at least annual review. For BaFin approved asset classes, the ACW require re-approval by the regulator in case of significant changes during the review process.

BaFin approval for IAA has been received for currently 13 different asset classes in both consumer and commercial assets. The stress factors are different per asset class and rating level; they are established based on criteria set by the “dominant” external rating agency which forms the basis of the internal qualitative and quantitative rating analysis. The stress factor multiples indicate how much credit enhancement is required to obtain a specific rating. It is specified as a multiple of the expected loss.

The following tables summarize (a) the Stress Factor Multiples per rating level, or (b) key stress testing methodology for those without defined Stress Factor Multiples, based on the methodology published by the respective dominant rating agencies:

### Stress Factor Multiples per Rating Level by dominant Rating Agencies

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Auto Loans</th>
<th>CDO</th>
<th>Comm. Lease &amp; Loan</th>
<th>Consumer Loans</th>
<th>Credit Cards</th>
<th>Trade Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>3.75–5</td>
<td>1.95</td>
<td>5</td>
<td>4–5</td>
<td>3–6.6</td>
<td>2.5</td>
</tr>
<tr>
<td>AA</td>
<td>3–4</td>
<td>1.8–1.76</td>
<td>4</td>
<td>3–4</td>
<td>2.5–5</td>
<td>2.25</td>
</tr>
<tr>
<td>A</td>
<td>2–3</td>
<td>1.73–1.69</td>
<td>3</td>
<td>2–3</td>
<td>2–3.75</td>
<td>2</td>
</tr>
<tr>
<td>BBB</td>
<td>1.75–2</td>
<td>1.67–1.63</td>
<td>2</td>
<td>1.5–2</td>
<td>1.5–2.5</td>
<td>1.5</td>
</tr>
<tr>
<td>BB</td>
<td>1.5–1.75</td>
<td>1.5–1.2</td>
<td>1–1.5</td>
<td>1.25–1.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Summary of Rating agency Stress Factor Methodologies without defined Stress Factor Multiples

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Capital Calls</th>
<th>MV CDO</th>
<th>RMBS Australia</th>
<th>RMBS Europe</th>
<th>RMBS US</th>
<th>Structured Settlements</th>
<th>Student Loans FFELP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant Rating Agency</td>
<td>Moody’s Methodology relies on conservative assumptions regarding debtor ratings and recovery rates; supported by conservative correlation criteria</td>
<td>S&amp;P Methodology of both S&amp;P and Moody’s is using Advance rates instead of Stress Factor Multiples, which are available on their respective websites</td>
<td>S&amp;P Methodology uses default &amp; loss assumptions per rating level, based on benchmark pools with adjustments appropriate for the respective pool being compared</td>
<td>S&amp;P Methodology uses default &amp; loss assumptions per rating level, based on benchmark pools with adjustments appropriate for the respective pool being compared</td>
<td>S&amp;P Stress-testing by applying S&amp;P default and loss assumptions per rating level on each individual loan in the pool</td>
<td>S&amp;P Generating a probability distribution of potential default rates at each rating level for the portfolio using industry-specific recovery rates. Additional stress tests regarding Largest Obligor and Largest Industry Defaults</td>
<td>Moody’s Applying rating-level specific stresses including defined cumulative default rates, voluntary pre-payment rates, servicer reject rates and borrower benefit rates</td>
</tr>
</tbody>
</table>

Information based on methodology published by the respective Dominant Rating Agencies, which may be amended from time to time.

The underlying cash flow models per asset class are also subject to the regular review process. For securitizations in these asset classes we utilize external credit assessment institutions, namely Standard & Poor’s and Moody’s as outlined in the tables above.

### Calculation of Regulatory Capital Requirements for Trading Book Securitizations

The regulatory capital requirements for the market risk of trading book securitizations are determined based on a combination of internal models and regulatory standard approaches pursuant to Section 314 et seq. SolV.

The capital requirement for the general market risk of trading book securitization positions is determined as the sum of (i) the value-at-risk based capital requirement for general market risk and (ii) the stressed value-at-risk based capital requirement for general market risk.

The capital requirement for the specific market risk of trading book securitization positions depends on whether the positions are assigned to the regulatory correlation trading portfolio (“CTP”) or not.

For securitization positions that are not assigned to the CTP, the capital requirement for specific market risk is calculated based on the market risk standardized approach (“MRSA”). The MRSA risk weight for trading book securitization positions is generally calculated by using the same methodologies which apply to banking book securitization positions. The only difference relates to the use of the SFA for trading book securitization positions, where the capital requirement of the securitized portfolio is determined by making use of risk parameters (probability of default and loss given default) that are based on the incremental risk charge model. The MRSA based capital requirement for specific risk is determined as the higher of the capital requirements for all net long and all net short securitization positions outside of the CTP. The securitization positions included in the MRSA calculations for specific risk are additionally included in the value-at-risk and stressed value-at-risk calculations for specific risk.

Trading book securitizations subject to MRSA treatment include various asset classes differentiated by the respective underlying collateral types:

- Residential mortgage backed securities (“RMBS”);
- Commercial mortgage backed securities (“CMBS”);
- Collateralized loan obligations (“CLO”);
- Collateralized debt obligations (“CDO”); and
- Consumer asset backed securities (incl. credit cards, auto loans and leases, student loans, equipment loans and leases, dealer floorplan loans, etc).
They also include synthetic credit derivatives and commonly-traded indices based on the above listed instruments.

Conversely, the capital requirement for the specific market risk of securitization positions which are assigned to the CTP is determined as the sum of (i) the value-at-risk based capital requirement for specific risk, (ii) the stressed value-at-risk based capital requirement for specific risk and (iii) the capital requirement for specific risk as derived from the comprehensive risk measurement (“CRM”) model. The CRM based capital requirement is subject to a floor equal to 8% of the higher of the specific risk capital requirements for all net long and all net short securitization positions under the MRSA.

The CTP includes all securitization positions and nth-to-default credit derivatives held for the purpose of trading correlation that satisfy the following requirements:

— all reference instruments are either single-name instruments, including single-name credit derivatives for which a liquid two-way market exists, or commonly-traded indices based on those reference entities;
— the positions are neither re-securitization positions, nor options on a securitization tranche, nor any other derivatives of securitization exposures that do not provide a pro-rata share in the proceeds of a securitization tranche; and
— the positions do not reference a claim on a special purpose entity, claims or contingent claims on real estate property or retail.

The CTP also comprises hedges to the securitization and nth-to-default positions in the portfolio, provided a liquid two-way market exists for the instrument or its underlying. Typical products assigned to the CTP are synthetic CDOs, nth-to-default credit default swaps (“CDS”), and index and single name CDS. For details on the CRM covering the regulatory CTP please also refer to the Section “Trading Market Risk”.

**Regulatory Good Practice Guidelines**

The European Banking Federation, the Association for Financial Markets in Europe (formerly London Investment Banking Association), the European Savings Banks Group and the European Association of Public Banks and Funding Agencies published the “Industry good practice guidelines on Pillar 3 disclosure requirements for securitization” in December 2008, which were slightly revised in 2009/2010. Our Pillar 3 disclosures are in compliance with the spirit of these guidelines as far as they have not been superseded by revised regulations in light of Basel 2.5.

**Securitization Details**

The amounts reported in the following tables provide details of our securitization exposures separately for the regulatory banking and trading book. The presentation of the banking and trading book exposures is in line with last year’s disclosure. The details of our trading book securitization positions subject to the MRSA are included in this chapter, while details of the trading book securitization positions covered under the Comprehensive Risk Measure (“CRM”) are described in Chapter “Trading Market Risk”.

Overall, the amounts presented in this chapter differ from, and are not directly comparable to, the amounts reported in the section “Special Purpose Entities”, in particular due to the differences in the respective consolidation principles between IFRS accounting and regulatory consolidation frameworks, as described above.

**Outstanding Exposures Securitized**

We are only exposed to credit or market risks related to the exposures securitized, as shown below, to the extent that we have retained or purchased any of the related securitization positions. The risk of the retained or purchased positions depends on the relative position in the payment waterfall structure of the securitization transaction. For disclosure purposes, we are deemed to be Originator and additionally Sponsor in case of multi-seller securitisations, which is reflected in the disclosure of the total outstanding exposures securitized in the Sponsor column and our share of those exposures in the Originator column.
The following table details the total banking book outstanding exposure, i.e., the overall pool size, we have securitized in our capacity as either originator or sponsor through traditional or synthetic securitization transactions split by exposure type. Within the originator columns the table provides information of the underlying securitized asset pool which was either originated from our balance sheet or acquired from third parties. The amounts reported are either the carrying values as reported in our consolidated financial statements for on-balance sheet exposures in synthetic securitizations or the principal notional amount for traditional securitizations and off-balance sheet exposures in synthetic transactions. Of the € 53 billion total outstanding securitized exposure reported as of December 31, 2012 in the table below as “Originator”, the amount retained was € 31 billion reflecting a decrease in both outstanding securitized as well as retained exposure which for December 31, 2011 were € 76 billion and € 40 billion respectively.

For sponsor relationships, the total outstanding exposure securitized reported in the table below represents the principal notional amount of outstanding exposures of the entities issuing the securities and other receivables. As of December 31, 2012, our retained or repurchased exposure of the € 117 billion total outstanding exposure securitized shown in the “Sponsor” columns including multi-seller transactions was € 17 billion. The remaining exposure is held by third parties. As of December 31, 2011, our maximum exposure with regard to the € 131 billion total outstanding exposure securitized resulted from sponsoring activities including multi-seller transactions amounted to € 21 billion. The decrease in our maximum exposure resulted primarily from a management decision to reduce the securitization book in the current weaker markets. The total reported outstanding exposure securitized is derived using information received from servicer reports of the third parties with whom the conduits have relationships.

### Outstanding Exposures Securitized by Exposure Type (Overall Pool Size) within the Banking Book

<table>
<thead>
<tr>
<th>Exposure Type</th>
<th>Originator (Traditional)</th>
<th>Originator (Synthetic)</th>
<th>Sponsor (Traditional)</th>
<th>Sponsor (Synthetic)</th>
<th>Orig 2012</th>
<th>Sponsor 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential mortgages</td>
<td>10,954</td>
<td>3,516</td>
<td>4,276</td>
<td>–</td>
<td>14,018</td>
<td>4,124</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td>13,682</td>
<td>–</td>
<td>7,991</td>
<td>–</td>
<td>16,569</td>
<td>–</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td>–</td>
<td>1,742</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>5,577</td>
</tr>
<tr>
<td>Leasing</td>
<td>–</td>
<td>5,967</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>6,390</td>
</tr>
<tr>
<td>Loans to corporates or SMEs</td>
<td>2,772</td>
<td>20,014</td>
<td>21,256</td>
<td>781</td>
<td>6,657</td>
<td>27,105</td>
</tr>
<tr>
<td>(treated as corporates)²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26,698</td>
<td>1,045</td>
</tr>
<tr>
<td>Consumer loans</td>
<td>–</td>
<td>–</td>
<td>17,932</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>15,356</td>
<td>–</td>
</tr>
<tr>
<td>Securitizations (re-securitizations)</td>
<td>1,642</td>
<td>589</td>
<td>3,467</td>
<td>–</td>
<td>7,830</td>
<td>1,022</td>
</tr>
<tr>
<td>Other assets</td>
<td>–</td>
<td>53,166</td>
<td>–</td>
<td>–</td>
<td>51,851</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total outstanding exposures securitized²</strong></td>
<td><strong>29,050</strong></td>
<td><strong>24,120</strong></td>
<td><strong>115,797</strong></td>
<td><strong>781</strong></td>
<td><strong>45,171</strong></td>
<td><strong>31,229</strong></td>
</tr>
</tbody>
</table>

1 As of December 31, 2012 included under “Sponsor” is the amount € 17 billion of multi-seller related securitized exposures, of which we have originated € 8 billion, and therefore have also included this amount under “Originator”. For December 31, 2011 the amounts were € 19 billion and € 10 billion respectively.

2 SMEs are small- or medium-sized entities.

3 For a regulatory assessment of our exposure to credit risk in relation to securitization activity in the banking book see table “Banking Book Securitization Positions Retained or Purchased by Risk Weight Band”.

The table below provides the total outstanding exposure securitized in relation to securitization positions held in our regulatory trading book separately for originator and sponsor activities and further broken down into traditional and synthetic transactions. Short synthetic single tranche CDOs have been reflected as originator positions for which the synthetic pool size was determined as the maximum pool size of the position sets referencing a given synthetic pool. The total outstanding exposure securitized as shown in the table below does not reflect our risk as it includes exposures not retained by us, does not consider the different positioning in the waterfall of related positions and – most notably – does not reflect hedging other than that in identical tranches. Compared to last year, the pool of outstanding exposures securitized reduced significantly for traditional and synthetic securitizations.
### Outstanding Exposures Securitized by Exposure Type (Overall Pool Size) within the Trading Book

<table>
<thead>
<tr>
<th>Exposure Type</th>
<th>Originator</th>
<th>Sponsor</th>
<th>Originator</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential mortgages</td>
<td>7,545</td>
<td>13,591</td>
<td>7,105</td>
<td>4,586</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td>29,185</td>
<td>39,885</td>
<td>50,308</td>
<td>5,295</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Leasing</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Loans to corporates or SMEs</td>
<td>1,902</td>
<td>2,063</td>
<td>234,619</td>
<td>274,746</td>
</tr>
<tr>
<td>(treated as corporates)</td>
<td>234,619</td>
<td>1,191</td>
<td></td>
<td>1,367</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Leasing</td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Securitizations (re-securitizations)</td>
<td>3,543</td>
<td>9,663</td>
<td>117</td>
<td>-</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,189</td>
<td>633</td>
<td>-</td>
<td>1,367</td>
</tr>
<tr>
<td>Total outstanding exposures securitized</td>
<td>43,364</td>
<td>65,835</td>
<td>234,619</td>
<td>280,041</td>
</tr>
</tbody>
</table>

1. As of December 31, 2012 included under “Sponsor” is the amount € 57 billion of multi-seller related securitized exposures, of which we have originated € 23 billion, and therefore have also included this amount under “Originator”. For December 31, 2011 the amounts were € 63 billion and € 28 billion respectively.
2. SMEs are small- or medium-sized entities.
3. Outstanding Exposures Securitized was restated reflecting additional 14 short synthetic single tranche CDOs not identified last year.
4. For a regulatory assessment of our exposure to credit risk in relation to securitization activity in the trading book see table “Trading Book Securitization Positions Retained or Purchased by Risk Weight Band subject to the MRSA”. Includes securitized exposure as originator amounting to € 17 billion and as sponsor amounting to € 11 billion already reflected in table “Outstanding Exposures Securitized by Exposure Type (Overall Pool Size) within the Banking Book”.

The following table provides details of the quality of the underlying asset pool of outstanding exposures securitized for which we are an Originator and hold positions in the regulatory banking book. An exposure is reported as past due when it has the status past due for 30 days or more and has not already been included as impaired. For our originated synthetic securitizations, impaired and past due exposure amounts are determined through our internal administration, while for our originated traditional securitizations, impaired and past due exposure amounts are primarily derived from investor reports of underlying exposures.

Separately, the table details losses we recognized in 2012 and 2011 for retained or purchased securitization positions as originator by exposure type. The losses are those reported in the consolidated statement of income. The amounts are the actual losses in the underlying asset pool to the extent that these losses are allocated to the retained or purchased securitization positions held by us after considering any eligible credit protection. This applies to both traditional and synthetic transactions.

<table>
<thead>
<tr>
<th>Exposure Type</th>
<th>Impaired/past due</th>
<th>Losses</th>
<th>Impaired/past due</th>
<th>Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential mortgages</td>
<td>3,639</td>
<td>14</td>
<td>4,831</td>
<td>28</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td>79</td>
<td>-</td>
<td>227</td>
<td>-</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Leasing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans to corporates or SMEs</td>
<td>256</td>
<td>11</td>
<td>1,191</td>
<td>35</td>
</tr>
<tr>
<td>(treated as corporates)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consumer loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Securitizations (re-securitizations)</td>
<td>368</td>
<td>5</td>
<td>361</td>
<td>5</td>
</tr>
<tr>
<td>Other assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total impaired and past due exposures securitized and losses recognized</td>
<td>4,342</td>
<td>30</td>
<td>6,610</td>
<td>68</td>
</tr>
</tbody>
</table>

1. Includes the impaired and past due exposures in relation to the overall pool of multi-seller securitizations which could reflect more than our own originated portion.
2. SMEs are small- or medium-sized entities.
3. For a regulatory assessment of our exposure to credit risk in relation to securitization activity in the banking book see table “Banking Book Securitization Positions Retained or Purchased by Risk Weight Band”.

The total impaired or past due exposure securitized decreased by € 2.3 billion in 2012. The reduction is attributed to the exposure types “Residential mortgages”, “Commercial mortgages” and “Loans to corporates or SMEs”. Losses recorded by us in 2012 decreased across all exposure types to € 30 million compared to € 68 million in 2011.
The following table provides details of existing banking and trading book outstanding exposures split by exposure type for which there is a management intention to securitize them in either an existing or new securitization transaction in the near future. Outstanding exposures awaiting securitization do not include assets due for securitization without risk transfer i.e., those securitizations where we will keep all tranches.

### Outstanding Exposures Awaiting Securitization

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th></th>
<th>Dec 31, 2011</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Banking Book</td>
<td>Trading Book</td>
<td>Banking Book</td>
<td>Trading Book</td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td>–</td>
<td>1,783</td>
<td>243</td>
<td>788</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Leasing</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Loans to corporates or SMEs (treated as corporates)</td>
<td>6,358</td>
<td>–</td>
<td>1,154</td>
<td>–</td>
</tr>
<tr>
<td>Consumer loans</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Securitizations (re-securitizations)</td>
<td>–</td>
<td>372</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other assets</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Outstanding exposures awaiting securitization</strong></td>
<td>6,358</td>
<td>2,155</td>
<td>1,397</td>
<td>788</td>
</tr>
</tbody>
</table>

1. SMEs are small- or medium-sized entities.

The majority of the outstanding exposures awaiting securitization are “Loans to corporates or SMEs”, which are subject to securitizations of the CPSG.

### Securitization Positions Retained or Purchased

For securitization positions retained or purchased the reported amounts for the banking book are regulatory exposure values prior to the application of credit risk mitigation. The securitization positions in the regulatory trading book are reported based on the exposure definition in Section 299 SolvV which states that identical or closely matched securities and derivatives are offset to a net position.

#### Securitization Positions Retained or Purchased by Exposure Type

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th></th>
<th>Dec 31, 2011</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Banking Book</td>
<td>Off-balance, derivative and SFT securitization positions</td>
<td>On-balance securitization positions</td>
<td>Total</td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>5,484</td>
<td>3,331</td>
<td>8,815</td>
<td>1,553</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td>2,712</td>
<td>934</td>
<td>3,646</td>
<td>2,263</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td>–</td>
<td>920</td>
<td>920</td>
<td>46</td>
</tr>
<tr>
<td>Leasing</td>
<td>2,227</td>
<td>1,291</td>
<td>3,518</td>
<td>0</td>
</tr>
<tr>
<td>Loans to corporates or SMEs (treated as corporates)</td>
<td>25,568</td>
<td>4,791</td>
<td>30,359</td>
<td>272</td>
</tr>
<tr>
<td>Consumer loans</td>
<td>2,818</td>
<td>2,470</td>
<td>5,288</td>
<td>109</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>0</td>
</tr>
<tr>
<td>Securitizations (re-securitizations)</td>
<td>1,593</td>
<td>2,398</td>
<td>3,991</td>
<td>729</td>
</tr>
<tr>
<td>Other assets</td>
<td>5,044</td>
<td>3,887</td>
<td>8,931</td>
<td>1,099</td>
</tr>
<tr>
<td><strong>Total securitization positions retained or purchased</strong></td>
<td>45,446</td>
<td>20,022</td>
<td>65,468</td>
<td>6,071</td>
</tr>
</tbody>
</table>

1. SMEs are small- or medium-sized entities.
2. For a regulatory assessment of our exposure to credit risk in relation to securitization activities see table “Banking Book Securitization Positions Retained or Purchased by Risk Weight Band” and table “Trading Book Securitization Positions Retained or Purchased by Risk Weight Band subject to MRSA”.

---

1. SMEs are small- or medium-sized entities.
2. For a regulatory assessment of our exposure to credit risk in relation to securitization activities see table “Banking Book Securitization Positions Retained or Purchased by Risk Weight Band” and table “Trading Book Securitization Positions Retained or Purchased by Risk Weight Band subject to MRSA”.
On a year to year comparison, resulting from an active de-risking strategy pursued throughout the year 2012, the banking book securitization positions retained or purchased decreased across most exposure types. Retained or purchased securitization positions are reduced mainly in the exposure type “Loans to corporates or SMEs” following a termination and a regulatory de-recognition of single synthetic securitizations in 2012. Within the trading book, the significant reduction of securitized exposures from the exposure type “Loans to corporates or SMEs” is offset by increases from the exposure types “Commercial mortgages”, “Consumer loans” and “Securtizations” resulting in a slight overall increase.

The amounts shown in the table above are based on the country of domicile of the obligors of the exposures securitized. The aforementioned termination or regulatory de-recognition of synthetic securitizations resulted in a reduction in banking book securitization positions retained or purchased from across Europe and Americas which were partially offset by newly issued securitizations. In addition, decreases in exposures by € 3.4 billion were attributed to sponsoring and investor activities respectively, again largely resulting from the management decision to reduce the overall size of securitization positions.
## Banking Book Securitization Exposure

### Banking Book Securitization Positions Retained or Purchased in the regulatory banking book by Risk Weight Band

<table>
<thead>
<tr>
<th>Risk Weight Band</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposure amount</td>
<td>Capital requirements</td>
<td>Capital requirements</td>
</tr>
<tr>
<td>in € m.</td>
<td>IRBA¹</td>
<td>standardized approach</td>
</tr>
<tr>
<td>≤ 10 %</td>
<td>40,929</td>
<td>206</td>
</tr>
<tr>
<td>&gt; 10 ≤ 20 %</td>
<td>5,900</td>
<td>73</td>
</tr>
<tr>
<td>&gt; 20 ≤ 50 %</td>
<td>9,816</td>
<td>395</td>
</tr>
<tr>
<td>&gt; 50 ≤ 100 %</td>
<td>3,666</td>
<td>98</td>
</tr>
<tr>
<td>&gt; 100 ≤ 350 %</td>
<td>1,167</td>
<td>90</td>
</tr>
<tr>
<td>&gt; 350 ≤ 650 %</td>
<td>364</td>
<td>118</td>
</tr>
<tr>
<td>&gt; 650 &lt; 1250 %</td>
<td>337</td>
<td>86</td>
</tr>
<tr>
<td>&gt; 1250 %/Deduction</td>
<td>3,289</td>
<td>1,174</td>
</tr>
<tr>
<td>Total securitization positions retained or purchased</td>
<td>65,468</td>
<td>2,240</td>
</tr>
</tbody>
</table>

¹ After considering value adjustments according to Sections 253 (3) and 268 (2) SolvV.

The amounts shown in the table above are prior to application of credit risk mitigation. Exposure reductions are observable in most risk weight bands following the de-risking strategy of the bank. The increase in the exposure amount in the risk weight band “> 650 < 1250 %” is mainly attributed to a downgrading of two securities. Exposures subject to capital deduction declined by 45 % as positions are either terminated, sold, restructured or externally rated BB- or better. Overall, the capital requirements for banking book securitizations were reduced by 51 %.

The largest portion for IRBA eligible banking book securitization exposures are either treated according to the Ratings Based Approach (“RBA”) or the Supervisory Formula Approach (“SFA”). For the remaining IRBA eligible banking book exposures we use the Internal Assessment Approach (“IAA”) predominantly for our ABCP sponsor activity.

### Banking Book Securitization Positions Retained or Purchased by Risk Weight Bands subject to the IRBA-Rating Based Approach (RBA)

<table>
<thead>
<tr>
<th>Risk Weight Band</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposure amount</td>
<td>Capital requirements, IRBA-RBA¹</td>
<td>Capital requirements, IRBA-RBA¹</td>
</tr>
<tr>
<td>in € m.</td>
<td>Securitization</td>
<td>Securitization</td>
</tr>
<tr>
<td>≤ 10 %</td>
<td>10,558</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 10 ≤ 20 %</td>
<td>2,939</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 20 ≤ 50 %</td>
<td>2,163</td>
<td>3,545</td>
</tr>
<tr>
<td>&gt; 50 ≤ 100 %</td>
<td>1,481</td>
<td>610</td>
</tr>
<tr>
<td>&gt; 100 ≤ 350 %</td>
<td>694</td>
<td>159</td>
</tr>
<tr>
<td>&gt; 350 ≤ 650 %</td>
<td>268</td>
<td>79</td>
</tr>
<tr>
<td>&gt; 650 &lt; 1250 %</td>
<td>278</td>
<td>58</td>
</tr>
<tr>
<td>&gt; 1250 %/Deduction</td>
<td>2,748</td>
<td>294</td>
</tr>
<tr>
<td>Total securitization positions retained or purchased</td>
<td>21,127</td>
<td>4,745</td>
</tr>
</tbody>
</table>

¹ After considering value adjustments according to Sections 253 (3) and 268 (2) SolvV. Including capital requirements for maturity mismatch of synthetic securitizations.
Banking Book Securitization Positions Retained or Purchased by Risk Weight Band subject to the IRBA-Internal Assessment Approach (IAA)

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Exposure amount</th>
<th>Capital requirements, IRBA-IAA</th>
<th>Securitization</th>
<th>Re-Securitization</th>
<th>Exposure amount</th>
<th>Capital requirements, IRBA-IAA</th>
<th>Securitization</th>
<th>Re-Securitization</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 10 %</td>
<td>4,948</td>
<td></td>
<td></td>
<td></td>
<td>5,752</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 10 ≤ 20 %</td>
<td>1,783</td>
<td></td>
<td></td>
<td></td>
<td>1,878</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 20 ≤ 50 %</td>
<td>2,291</td>
<td></td>
<td>52</td>
<td>32</td>
<td>2,785</td>
<td></td>
<td>1,828</td>
<td>78</td>
</tr>
<tr>
<td>&gt; 50 ≤ 100 %</td>
<td>191</td>
<td>119</td>
<td>12</td>
<td>5</td>
<td>225</td>
<td>427</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>&gt; 100 ≤ 350 %</td>
<td>17</td>
<td>80</td>
<td>1</td>
<td>10</td>
<td>237</td>
<td>276</td>
<td>45</td>
<td>30</td>
</tr>
<tr>
<td>&gt; 350 ≤ 650 %</td>
<td>–</td>
<td>4</td>
<td>–</td>
<td>2</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 650 ≤ 1250 %</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 1250 %/Deduction</td>
<td>20</td>
<td>–</td>
<td>20</td>
<td>–</td>
<td>–</td>
<td>135</td>
<td>–</td>
<td>135</td>
</tr>
</tbody>
</table>

Total securitization positions retained or purchased: 9,250 = 1,296 = 134 = 49 = 10,877 = 2,666 = 190 = 240

After considering value adjustments according to Sections 253 (3) and 268 (2) SolvV.

Banking Book Securitization Positions Retained or Purchased by Risk Weight Band subject to the IRBA-Supervisory Formular Approach (SFA)

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Exposure amount</th>
<th>Capital requirements, IRBA-SFA</th>
<th>Securitization</th>
<th>Re-Securitization</th>
<th>Exposure amount</th>
<th>Capital requirements, IRBA-SFA</th>
<th>Securitization</th>
<th>Re-Securitization</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 10 %</td>
<td>25,423</td>
<td></td>
<td></td>
<td></td>
<td>18,904</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 10 ≤ 20 %</td>
<td>340</td>
<td></td>
<td>4</td>
<td>–</td>
<td>809</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 20 ≤ 50 %</td>
<td>165</td>
<td></td>
<td>4</td>
<td>–</td>
<td>2,813</td>
<td></td>
<td>46</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 50 ≤ 100 %</td>
<td>4,130</td>
<td></td>
<td>7</td>
<td>–</td>
<td>123</td>
<td></td>
<td>6</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 100 ≤ 350 %</td>
<td>127</td>
<td></td>
<td>15</td>
<td>–</td>
<td>4</td>
<td></td>
<td>1</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 350 ≤ 650 %</td>
<td>13</td>
<td></td>
<td>5</td>
<td>–</td>
<td>12</td>
<td></td>
<td>5</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 650 ≤ 1250 %</td>
<td>1</td>
<td></td>
<td>1</td>
<td>–</td>
<td>11</td>
<td></td>
<td>6</td>
<td>–</td>
</tr>
<tr>
<td>1250 %/Deduction</td>
<td>70</td>
<td>62</td>
<td>40</td>
<td>62</td>
<td>58</td>
<td></td>
<td>17</td>
<td>–</td>
</tr>
</tbody>
</table>

Total securitization positions retained or purchased: 26,269 = 62 = 199 = 62 = 22,734 = – = 186 = –

After considering value adjustments according to Sections 253 (3) and 268 (2) SolvV.

Banking Book Securitization Positions Retained or Purchased by Risk Weight Band subject to the Credit Risk Standardized Approach (CRSA)

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Exposure amount</th>
<th>Capital requirements, SA</th>
<th>Securitization</th>
<th>Re-Securitization</th>
<th>Exposure amount</th>
<th>Capital requirements, SA</th>
<th>Securitization</th>
<th>Re-Securitization</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 10 %</td>
<td>839</td>
<td></td>
<td></td>
<td></td>
<td>2,641</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 10 ≤ 20 %</td>
<td>295</td>
<td></td>
<td>13</td>
<td>–</td>
<td>1,385</td>
<td></td>
<td>276</td>
<td>18</td>
</tr>
<tr>
<td>&gt; 20 ≤ 50 %</td>
<td>1,137</td>
<td></td>
<td>12</td>
<td>8</td>
<td>1,420</td>
<td></td>
<td>63</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 50 ≤ 100 %</td>
<td>91</td>
<td></td>
<td>8</td>
<td>–</td>
<td>218</td>
<td></td>
<td>33</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 100 ≤ 350 %</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>55</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 350 ≤ 650 %</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>14</td>
<td>–</td>
</tr>
<tr>
<td>&gt; 650 ≤ 1250 %</td>
<td>25</td>
<td>69</td>
<td>25</td>
<td>69</td>
<td>589</td>
<td></td>
<td>589</td>
<td>–</td>
</tr>
</tbody>
</table>

Total securitization positions retained or purchased: 2,388 = 332 = 133 = 77 = 6,254 = 345 = 703 = 43

The Credit Risk Standardized Approach ("CRSA") is used for securitization positions where the underlying portfolio predominantly concerns credit risk exposures, which would qualify for application of the CRSA if these exposures would be directly held by us.
Trading Book Securitization Exposure

For trading book securitization positions not assigned to the correlation trading portfolio, the capital requirement for specific market risk is calculated based on the MRSA. The MRSA risk weight calculation for trading book securitization positions is generally based on the same methodologies which apply to banking book securitization positions. More details on this approach are provided in Section “Regulatory Securitization Framework” as well as in Section “Trading Market Risk”.

Trading Book Securitization Positions Retained or Purchased by Risk Weight Band subject to the Market Risk Standardized Approach (“MRSA”)

<table>
<thead>
<tr>
<th>Risk Weight Band</th>
<th>Exposure amount</th>
<th>Capital requirements, MRSA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Securitization</td>
<td>Re-securitization</td>
</tr>
<tr>
<td></td>
<td>Dec 31, 2012</td>
<td>Dec 31, 2011</td>
</tr>
<tr>
<td>≤ 10 %</td>
<td>5,298</td>
<td>6,292</td>
</tr>
<tr>
<td>&gt; 10 ≤ 20 %</td>
<td>4,637</td>
<td>1,541</td>
</tr>
<tr>
<td>&gt; 20 ≤ 50 %</td>
<td>1,175 309</td>
<td>1,895 149</td>
</tr>
<tr>
<td>&gt; 50 ≤ 100 %</td>
<td>958 170</td>
<td>733 29</td>
</tr>
<tr>
<td>&gt; 100 ≤ 350 %</td>
<td>494 80</td>
<td>346 121</td>
</tr>
<tr>
<td>&gt; 350 ≤ 650 %</td>
<td>182 33 68</td>
<td>166 77 61</td>
</tr>
<tr>
<td>&gt; 650 ≤ 1250 %</td>
<td>102 21 56</td>
<td>61 32 34</td>
</tr>
<tr>
<td>≥ 1250 %/Deduction</td>
<td>307 245</td>
<td>1,571 672</td>
</tr>
<tr>
<td>Total securitization positions retained or purchased</td>
<td>13,239 858</td>
<td>12,605 1,080</td>
</tr>
</tbody>
</table>

Re-securitization Positions

Trading book re-securitization exposure is reduced by 71 % as a result of hedging being recognized according to section 299 SolvV.

Re-Securitization Positions Retained or Purchased

<table>
<thead>
<tr>
<th>Risk Weight Band</th>
<th>Exposure amount</th>
<th>Capital requirements, MRSA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Banking Book</td>
<td>Trading Book</td>
</tr>
<tr>
<td></td>
<td>Before hedging/insurances</td>
<td>Before hedging/insurances</td>
</tr>
<tr>
<td></td>
<td>Dec 31, 2012</td>
<td>Dec 31, 2011</td>
</tr>
<tr>
<td>≥ 1250 %/Deduction</td>
<td>6,435 2,910</td>
<td>9,498 9,498</td>
</tr>
</tbody>
</table>

Securitization Activities

The 2012 yearends in the tables below show an increase in 2012 of our securitization sponsor activity compared to 2011. The new activities are dominated by two transactions outside of our conduit business. Their associated exposures securitized are higher than the renewal of support for existing ABCP conduit transactions where we act as a sponsor. An increase as of year-end 2012 of our securitization originator activity predominately concerned the exposure type “Loans to corporates or SMEs” dominated by the synthetic transactions executed by the Credit Portfolio Strategies Group (CPSG) as well as one new securitization transaction within our Global Transaction Banking.
Securitization Activity – Total Outstanding Exposures Securitized (i.e., the underlying pools) by Exposure Type within the Banking Book

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>传统的</td>
<td>合同</td>
<td></td>
<td></td>
<td>传统的</td>
<td>合同</td>
<td></td>
</tr>
<tr>
<td>Residential mortgages</td>
<td></td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td></td>
<td>260</td>
<td>–</td>
<td>1</td>
<td></td>
<td>1,416</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Leasing</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Loans to corporates or SMEs (treated as corporates)</td>
<td>108</td>
<td>3,566</td>
<td>–</td>
<td>1,460</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer loans</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>251</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trade receivables</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Securitizations (re-securitizations)</td>
<td>–</td>
<td>590</td>
<td>–</td>
<td>2,107</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
<td>702</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total Outstanding Exposures Securitized</td>
<td>368</td>
<td>4,156</td>
<td>1</td>
<td>6,170</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 SMEs are small- or medium-sized entities.
2 Excludes a restructuring activity as Sponsor where one security was transferred between two of our conduits. Respective Outstanding Exposure Securitized of this security is reported in table “Outstanding Exposures Securitized by Exposure Type (Overall Pool Size) within the Banking Book”.
3 For a regulatory assessment of our exposure to credit risk in relation to securitization activity in the banking book see table “Banking Book Securitization Positions Retained or Purchased by Risk Weight Band”.

The main increase of the 2012 yearend amounts compared to 2011 in the tables below for securitization originator activity resulted from one synthetic single tranche CDO contract comprising outstanding exposures securitized of €13 billion.
Securitization Activity – Total Outstanding Exposures Securitized by Exposure Type within the Trading Book

<table>
<thead>
<tr>
<th></th>
<th>Originator</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>Traditional</td>
<td>Synthetic</td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td>3,908</td>
<td>–</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Leasing</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Loans to corporates or SMEs (treated as corporates)</td>
<td>–</td>
<td>16,284</td>
</tr>
<tr>
<td>Consumer loans</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Securitizations (re-securitizations)</td>
<td>1,033</td>
<td>–</td>
</tr>
<tr>
<td>Other assets</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Outstanding Exposures Securitized</strong></td>
<td><strong>4,941</strong></td>
<td><strong>16,284</strong></td>
</tr>
</tbody>
</table>

1 Included under “Sponsor” is the amount € 7 billion exposures securitized, of which we originated € 3 billion, also included under “Originator”.

2 SMEs are small- or medium-sized entities.

3 For a regulatory assessment of our exposure to credit risk in relation to securitization activity in the trading book see table “Trading Book Securitization Positions Retained or Purchased by Risk Weight Band subject to the MRSA”.

<table>
<thead>
<tr>
<th></th>
<th>Originator</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>Traditional</td>
<td>Synthetic</td>
</tr>
<tr>
<td>Residential mortgages</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Commercial mortgages</td>
<td>3,193</td>
<td>–</td>
</tr>
<tr>
<td>Credit card receivables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Leasing</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Loans to corporates or SMEs (treated as corporates)</td>
<td>–</td>
<td>2,680</td>
</tr>
<tr>
<td>Consumer loans</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Securitizations (re-securitizations)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other assets</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Outstanding Exposures Securitized</strong></td>
<td><strong>3,193</strong></td>
<td><strong>2,680</strong></td>
</tr>
</tbody>
</table>

1 Included under “Sponsor” is the amount € 4.1 billion exposures securitized, of which we originated € 1.7 billion, also included under “Originator”.

2 SMEs are small- or medium-sized entities.

3 For a regulatory assessment of our exposure to credit risk in relation to securitization activity in the trading book see table “Trading Book Securitization Positions Retained or Purchased by Risk Weight Band subject to the MRSA”.

**Trading Market Risk**

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 investing positions. Risk can arise from adverse changes in interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and other relevant parameters, such as market volatility and implied default probabilities.

The primary objective of Market Risk Management, a part of our independent Risk function, is to ensure that our business units optimize the risk-reward relationship and do not expose us to unacceptable losses outside of our risk appetite. 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 CB&S 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.

**Trading Market Risk Management Framework**

Market Risk Management governance is designed and established to ensure oversight of all market risks, including trading market risk, traded default risk and nontrading market risk, 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 and supports management and mitigation. Market risk managers identify existing and potential future market risks through active portfolio analysis and engagement with the business areas.

**Market Risk Measurement and Assessment**

Market Risk Management 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, we measure market and related risks by thirteen key risk metrics:

— Value-at-risk and stressed value-at-risk
— Three metrics for specific risks: Incremental Risk Charge, Comprehensive Risk Measure, and Market Risk Standardised Approach (MRSA)
— Three types of stress tests: Portfolio Stress Testing, business-level stress testing, and event risk scenarios
— Market Risk economic capital, including traded default risk
— Sensitivities
— Market value/Notional (concentration risk)
— Loss given default

These measures are viewed as complementary to each other and in aggregate define the Market Risk framework, by which all businesses can be measured and monitored.

**Market Risk Monitoring**

Our primary instrument to manage trading market risk is the application of our limit framework. Our Management Board supported by Market Risk Management, sets group-wide value-at-risk, economic capital and portfolio stress testing (extreme) limits for market risk in the trading book. Market Risk Management sub-allocates this overall limit to our Corporate Divisions and individual business units within CB&S (e.g. Global Rates and Credit, Equity, etc.) based on anticipated business plans and risk appetite. Within the individual business units, the business heads establish business limits, by allocating the limit down to individual portfolios or geographical regions.

In practice, Market Risk Management sets key limits, which tend to be global in nature, to capture an exposure to a particular risk factor. Business limits are specific to various factors, including a particular geographical region or specific portfolio.

Value-at-risk, stressed value-at-risk and economic capital 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 stress testing. Limits are also set on sensitivity and concentration/liquidity, portfolio stress tests, 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. Where limits are exceeded, Market Risk Management is responsible for identifying and escalating those excesses on a timely basis.

To manage the exposures inside the limits, the business units apply several risk mitigating measures, most notably the use of:

— **Portfolio management**: Risk diversification arises in portfolios which consist of a variety of positions. Since some investments are likely to rise in value when others decline, diversification can help to lower the overall level of risk profile of a portfolio.

— **Hedging**: Hedging involves taking positions in related financial assets, such as futures and swaps, and includes derivative products, such as futures, swaps and options. Hedging activities may not always provide effective mitigation against losses due to differences in the terms, specific characteristics or other basis risks that may exist between the hedge instrument and the exposure being hedged.

### 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.

### Market Risk Measurement

**Value-at-Risk at Deutsche Bank Group (excluding Postbank)**

Value-at-risk is a quantitative measure of the potential loss (in value) of trading 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 value-at-risk 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 value-at-risk 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 value-at-risk. For regulatory purposes, the holding period is ten days.

We use one year of historical market data to calculate value-at-risk. The calculation employs a Monte Carlo Simulation technique, and we assume that changes in risk factors follow a well-defined distribution, e.g. normal, lognormal, or non-normal (t, skew-t, Skew-Normal). To determine our aggregated value-at-risk, we use observed correlations between the risk factors during this one year period.

Our value-at-risk 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 ensure completeness in the risk coverage also 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 value-at-risk calculation.
For each business unit a separate value-at-risk is calculated for each risk class, e.g. interest rate, equity, foreign exchange and commodity. For each risk class this is achieved by assigning the sensitivities to the relevant risk class and then simulating changes in the associated risk drivers. Diversification effect reflects the fact that the total value-at-risk on a given day will be lower than the sum of the value-at-risk relating to the individual risk classes. Simply adding the value-at-risk figures of the individual risk classes to arrive at an aggregate value-at-risk would imply the assumption that the losses in all risk categories occur simultaneously.

The model incorporates both linear and, especially for derivatives, nonlinear effects through a combination of sensitivity-based and full revaluation approach on a fixed price-implied volatility grid.

The value-at-risk 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 value-at-risk 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 value-at-risk 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.
— Value-at-risk does not indicate the potential loss beyond the 99th quantile.
— Intra-day risk is not captured.
— There may be risks in the trading book that are partially or not captured by the value-at-risk model.

We are committed to the ongoing development of our proprietary risk models, and we allocate substantial resources to reviewing and improving them. Additionally, we have further developed and improved our process of systematically capturing and evaluating risks currently not captured in our 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 our internal model. All risks-not-in-VaR are monitored and assessed on a regular basis.

During 2012, improvements were made to the value-at-risk calculation, with the inclusion of following risks in our internal model:

— Sovereign CDS quanto basis;
— Cash-derivatives basis for Agency RMBS; and
— Precious metals lease rate basis.

Additionally, market data granularity was increased further by:

— number of issuer specific credit spread curves and number of issuer-specific equity prices to improve accuracy;
— proxy funding spreads per region to extend coverage for CDS-bond basis;
— extended coverage for index basis time series to include on/off-the-run index basis; and
— CDS-based credit spread benchmarks to improve modeling of CDS-Bond basis.

Finally, an additional methodology refinement was introduced to capture full correlation within the credit specific risk model.
We continually analyze potential weaknesses of our value-at-risk model using statistical techniques, such as backtesting, and also rely on risk management experience. We compare the daily profits and losses under the buy-and-hold assumption (in accordance with German regulatory requirements) with the estimates from our value-at-risk model. In addition to the standard backtesting analysis at the value-at-risk quantile, the value-at-risk model performance is further verified by analyzing the distributional fit across the whole of the distribution (full distribution backtesting).

The Global Backtesting Committee, with participation from Market Risk Management, Market Risk Operations, Risk Analytics and Instruments, and Finance, meets on a regular basis to review backtesting results as a whole and of individual businesses. The committee analyzes performance fluctuations and assesses the predictive power of our value-at-risk model, which allows us to improve and adjust the risk estimation process accordingly.

An independent model validation team reviews all quantitative aspects of our value-at-risk model on a regular basis. The review covers, but is not limited to, the appropriateness of distribution assumptions of risk factors, recalibration approaches for risk parameters, and model assumptions. Validation results and remediation measures are presented to senior management and are tracked to ensure adherence to deadlines.

**Holistic VaR Validation process**

The Holistic VaR Validation (HVV) process ensures continuous controls around value-at-risk by providing a comprehensive top-down assessment of the value-at-risk model and framework across five control areas: Limits, Backtesting, Process, Model Validation, and Risks-not-in-VaR. HVV runs on a quarterly basis and provides a detailed report for each of the control areas (HVV Control Packs) as well as an HVV Dashboard indicating the health of each control area. In addition the Quarterly Business Line Review (QBLR) provides an overview of the business line trading strategy and the corresponding risk return profile. The associated formal quarterly HVV governance framework is as follows:

— Level 1: A series of asset-class level HVV Control Pack Review meetings (chaired by the respective Market Risk Management Asset Class Head), at which the HVV Control Pack is reviewed and the HVV Dashboard status is agreed
— Level 2: The HVV Governance Committee (chaired by the Global Head of Market Risk Management), at which the QBLRs are presented and the overall HVV Dashboard is agreed
— Level 3: Top-level HVV governance is achieved via a series of senior management briefings including to the CB&S Executive Committee, the Capital and Risk Committee, the Management Board and the Supervisory Board. The briefings provide an executive summary of the quality and control of value-at-risk across the business, an overview of the CB&S business trading strategy and the corresponding risk management strategy.

On December 20, 2012, the BaFin reduced our value-at-risk multiplier and stressed value-at-risk multiplier from 5.5 to 4.0. The key factor in the reduction of the multiplier was the implementation of the new HVV process.

**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 its primary application is within our economic capital framework. The scenario-based approach in stress testing is complementary to statistical model approaches, such as value-at-risk. Market Risk Management performs several types of stress testing to capture the variety of risks: portfolio stress testing, individual business-level stress tests, event risk scenarios, and group-wide stress testing.

Portfolio stress testing measures the profit and loss impact of potential market events based on pre-defined scenarios, which are either historical or hypothetical and defined at a macro level. A set of common shocks and business-specific stress tests is applied to all trading books and at different severity levels. With portfolio stress
testing, Market Risk Management completes its perspective on risk provided by other metrics, given that the range of portfolio stress tests fills the gap between the most extreme scenarios (economic capital) and potential daily losses (value-at-risk). Besides several dynamic scenarios, we have three static scenarios, which are calculated and monitored on a weekly basis.

For individual business-level stress tests, market risk managers identify relevant risk factors and develop realistic and credible stress scenarios relating either to macro-economic or business-specific developments. Business-level stress tests capture idiosyncratic and basis risks.

Event risk scenario measures the profit and loss impact of historically observable events of hypothetical situations on trading positions for specific emerging market countries and regions. The entire bank’s exposure to an individual country is stressed under a single scenario, which replicates market movements across that country in times of significant market crisis and reduced liquidity.

Besides these market-risk specific stress test, Market Risk Management participates in group-wide stress testing, where macro-economic scenarios are defined and translated into simultaneous stresses of the underlying risk drivers. This includes credit, market and operational risks. Results are reviewed by the Stress Testing Oversight Committee.

Tail risk or the potential for extreme loss events beyond reported value-at risk is captured via stressed value-at-risk, economic capital, incremental risk charge and comprehensive risk measure. It is also captured via stress testing.

**Basel 2.5 Trading Market Risk Requirements**

In December 2011 we received model approvals, from the BaFin, for the stressed value-at-risk, incremental risk charge and comprehensive risk measure models. These are additional methods we use to measure market risk exposures.

— **Stressed value-at-risk**: calculates a stressed value-at-risk measure based on a continuous 1 year period of significant market stress.
— **Incremental Risk Charge**: captures default and credit migration risks in addition to the risks already captured in value-at-risk for credit-sensitive positions in the trading book.
— **Comprehensive Risk Measure**: captures incremental risk for the credit correlation trading portfolio calculated using an internal model subject to qualitative minimum requirements as well as stress testing requirements.
— **Market Risk Standardized Approach**: calculates regulatory capital for securitisations and nth-to-default credit derivatives.

Stressed value-at-risk, incremental risk charge and the comprehensive risk measure are calculated for all relevant portfolios. The results from the models are used in the day-to-day risk management of the bank, as well as for defining regulatory capital.

**Stressed Value-at-Risk**

We calculate a stressed value-at-risk measure using a 99 % confidence level and a holding period of one day. For regulatory purposes, the holding period is ten days.

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 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 and extreme movements in the top value-at-risk contributors. The results from these two indicators (volatility and number of outliers) are combined using chosen weights to ensure qualitative aspects are also taken into account (e.g. inclusion of key crisis periods).
Incremental Risk Charge

The incremental risk charge is based on our own internal model and is intended to complement the value-at-risk modeling framework. It represents an estimate of the default and migration risks of unsecuritized credit products over a one-year capital horizon at a 99.9 % confidence level, taking into account the liquidity horizons of individual positions or sets of positions. 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. The model captures the default and migration risk in an accurate and consistent quantitative approach for all portfolios.

We calculate the incremental risk charge on a weekly basis. The charge is determined as the higher of the most recent 12 week average of incremental risk charge and the most recent incremental risk charge. The market and position data are collected from front office systems and are subject to strict quality control. The incremental risk charge figures are closely monitored and play a significant role in the management of the covered portfolios. Additionally, the incremental risk charge provides information on the effectiveness of the hedging positions which is reviewed by the risk managers.

The contributory incremental risk charge of individual positions, which is calculated by expected shortfall allocation, provides the basis for identifying risk concentrations in the portfolio and designing strategies to reduce the overall portfolio risk.

We use our credit portfolio model, a core piece of our economic capital methodology, to calculate the incremental risk charge. Important parameters for the incremental risk charge calculation are exposures, recovery rates and default probabilities, ratings migrations, maturity, and liquidity horizons of individual positions.

Liquidity horizons are conservatively set to the time required to sell a position or to hedge all material relevant price risks in a stressed market. Liquidity horizons are specified at product level and reflect our actual practice and experience during periods of systematic and idiosyncratic stresses. We have defined the sets of positions used for applying liquidity horizons in a way that meaningfully reflects the differences in liquidity for each set. Market risk managers who specialize in each product type determine liquidity horizons, with a liquidity horizon floor of 3-months. Liquidity horizons are regularly reviewed with regard to the size of positions, market activity, market structure, credit rating, location of issuer, and maturity so that the act of selling or hedging, in itself, would not materially affect the price. Additionally, there are regular reviews of position size at the issuer level to determine if liquidity horizons need to be adjusted for concentration risk. Any experience of selling a position that indicates a liquidity horizon is not sufficiently conservative is taken into account in determining the liquidity horizon for similar products. Default and rating migration probabilities are defined by rating migration matrices which are calibrated on historical external rating data. Taking into account the trade-off between granularity of matrices and their stability we apply a global corporate matrix and a sovereign matrix comprising the seven main rating bands. Accordingly, issue or issuer ratings from the rating agencies Moody’s, S&P and Fitch are assigned to each position.

To quantify a loss due to rating migration, a revaluation of a position is performed under the new rating. The probability of joint rating downgrades and defaults is determined by the migration and rating correlations of the incremental risk charge model. These correlations are specified through systematic factors that represent geographical regions and industries and are calibrated on historical rating migration and equity time series. The simulation process incorporates a rollover strategy that is based on the assumption of a constant level of risk. This assumption implies that positions that have experienced default or rating migration over their liquidity horizon are re-balanced at the end of their liquidity horizon to attain the initial level of risk. Correlations between positions with different liquidity horizons are implicitly specified by the dependence structure of the underlying systematic and idiosyncratic risk factors, ensuring that portfolio concentrations are identified across liquidity horizons. In particular, differences between liquidity horizons and maturities of hedges and hedged positions are recognized.
All parameters are recalibrated or validated on an annual or ad hoc basis. Apart from regular recalibrations there have been no significant model changes in 2012.

Direct validation of the incremental risk charge through back-testing methods is not possible. The charge is subject to validation principles such as the evaluation of conceptual soundness, ongoing monitoring, process verification and benchmarking and outcome analysis. The validation of the incremental risk charge methodology is embedded in the validation process for our credit portfolio model, with particular focus on the incremental risk charge specific aspects. Model validation relies more on indirect methods including stress tests and sensitivity analyses. Relevant parameters are included in the annual validation cycle established in the current regulatory framework. The incremental risk charge is part of the quarterly group-wide stress test using the stress testing functionality within our credit engine. Stressed incremental risk charge figures are reported on group level and submitted to the Stress Testing Oversight Committee and Cross Risk Review Committee.

Comprehensive Risk Measure
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 1 year. Our model is applied to the eligible correlation trading positions where typical products include collateralized debt obligations, nth-to-default credit default swaps, and index- and single-name credit default swaps. Re-securitizations or products which reference retail claims or real estate exposures are not eligible. Furthermore, 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.

Comprehensive risk measure is designed to capture defaults as well as the following risk drivers: interest rates, credit spreads, recovery rates, foreign exchange rates and base correlations, index-to-constituent and base correlation basis risks.

Comprehensive risk measure is calculated on a weekly basis. Initially, the eligible trade population within the correlation trading portfolio is identified. Secondly, the risk drivers of the P&L are simulated over a one year time horizon. The trade population is then re-valued under the various Monte Carlo scenarios and the 99.9 % quantile of the loss distribution is extracted.

The market and position data are collected from front office systems and are subject to strict quality control. The comprehensive risk measure figures are closely monitored and play a significant role in the management of the correlation trading portfolio. We use historical market data to estimate the risk drivers to the comprehensive risk measure with a history of up to three years.

In our comprehensive risk measure model the liquidity horizon is set to 12 months, which equals the capital horizon.

In order to maintain the high quality of our comprehensive risk measure model we continually monitor the potential weaknesses of this model. Backtesting of the trade valuations and the propagation of single risk factors is carried out on a monthly basis and a quarterly recalibration of parameters is performed. In addition, a series of stress tests have been defined on the correlation trading portfolio where the shock sizes link into historical distressed market conditions.

Model validation is performed by an independent team and reviews, but is not limited to, the above mentioned backtesting, the models which generate risk factors, appropriateness and completeness of risk factors, the Monte Carlo stability, and performs sensitivity analyses.

During 2012 we have improved our comprehensive risk measure model as follows:
— Extension of the liquidity horizon from 6 months to 12 months to improve the explanatory ability of the CRM quantile;  
— Removal of a conservative adjustment to the comprehensive risk measure capital definition such that it fully aligns with regulation; and  
— Enhancement of the methodology to simulate recovery rates such as to improve the backtesting.

**Market Risk Standardized Approach**  
The specific MRSA is used to determine the regulatory capital charge for the non-correlation trading portfolio securitization products and nth-to-default credit swaps. Market Risk Management monitors exposures and addresses risk issues and concentrations.

Longevity risk is the risk of adverse changes in life expectancies resulting in a loss in value on longevity linked policies and transactions. Regulatory capital charge for longevity risk is determined using the MRSA as set out in SolvV regulations. For risk management purposes, stress testing and economic capital allocations are also used to monitor and manage longevity risk.

**Validation of Front Office models**  
Market Risk Management validates front office models that are used for official pricing and risk management of trading positions. New Model Approval, Ongoing Model Approval and Model Risk assessment are the team’s key activities and they include:

— Verification of the mathematical integrity of the models and their implementation;  
— Periodic review of the models to ensure that the models stay valid in different market conditions;  
— Assessment of Model suitability for the intended business purposes; and  
— Establishment of Controls that enforce appropriate use of models across businesses.

**Trading Market Risk Management Framework at Postbank**  
Market risk arising from Postbank has been included in our reporting since 2010. Since the domination agreement between Deutsche Bank and Postbank became effective in September 2012, aggregate market risk limits for Postbank are set by Deutsche Bank according to our market risk limit framework. Postbank’s Head of Market Risk Management has a functional reporting line into our Market Risk Management organization and acts based upon delegated authority with respect to monitoring, reporting and managing market risk exposure according to market risk limits allocated to Postbank.

Sub limits are allocated by the Postbank Market Risk Committee to the individual operating business units. Deutsche Bank’s Head of Market Risk Management for Germany is member of the Postbank Market Risk Committee. The risk economic capital limits allocated to specific business activities define the level of market risk that is reasonable and desirable for Postbank from an earnings perspective.

Market risk at Postbank is monitored on a daily basis using a system of limits based on value-at-risk. In addition, Postbank’s Market Risk Committee has defined sensitivity limits for the trading and banking book as well as for key sub-portfolios. Postbank also performs scenario analyses and stress tests in addition to the value-at-risk calculations. The assumptions underlying the stress tests are reviewed and validated on an ongoing basis.

**Value-at-Risk at Postbank**  
Postbank also uses the value-at-risk concept to quantify and monitor the market risk it assumes. Value-at-risk is calculated using a Monte Carlo Simulation. The risk factors taken into account in the value-at-risk include interest rates, equity prices, foreign exchange rates, and volatilities, along with risks arising from changes in credit spreads. Correlation effects between the risk factors are derived from equally-weighted historical data.

Postbank’s trading book value-at-risk is currently not consolidated into the value-at-risk of the remaining Group. However, it is shown separately in the internal value-at-risk report.
**Economic Capital for Market Risk**

Economic capital for market risk measures the amount of capital needed to absorb very severe, unexpected losses arising from our exposures over the period of one year. "Very severe" in this context means that economic capital is set at a level which covers, with a probability of 99.98 %, all unexpected losses over a one year time horizon.

Our economic capital model comprises two core components, the “Common Risk” component covering risk drivers across all businesses and the suite of Business Specific Stress Tests (BSSTs) which enriches the Common Risk component. Both components are calibrated to historically observed severe market shocks.

One of the main components of our wider “Market Risk Framework” initiative has been the transition of the “Common Risk” component into a modified version of our regulatory Stressed value-at-risk approach. This transition went live in November 2012. The new Stressed value-at-risk-based economic capital has following modifications:

— The volatilities of risk factors are increased in order to capture the risk from longer liquidity horizons than value-at-risk; and
— The confidence level is increased to 99.98 % in line with our standard definition of economic capital, compared to our 99 % quantile for value-at-risk.

This model change has provided a number of benefits:

— Improved risk accuracy: Since our Stressed value-at-risk methodology has a high coverage of basis risks, a number of BSSTs are no longer required and the related risk is instead modeled more accurately within the comprehensive correlation framework of Stressed value-at-risk.
— Reduction of operational complexity: The new Common Risk component aligns the methodology, the market data, risk factors and sensitivities with the value-at-risk framework. As a result, changes to value-at-risk and Stressed value-at-risk are fully reconcilable to economic capital.

There has been an additional change to our economic capital measure relating to the liquidity horizon. The liquidity horizon is an assumption of how quickly management intervention would be taken to unwind or materially hedge our risk positions during times of severe market stress. Liquidity horizons have historically been based on our experience of de-risking portfolios during a single period of stress. However, based on recent regulatory opinion and our understanding of the latest market convention, economic capital is now required to capture the effect of multiple periods of stress within a one year time window. We have chosen to reflect this by extending the liquidity horizon, albeit not necessarily to a full one year due to hedging activities. We have therefore introduced a floor to the liquidity horizon of 3 months for all asset classes.

The calculation of economic capital for market risk from the trading units is performed weekly. The model incorporates the following risk factors: interest rates, credit spreads, equity prices, foreign exchange rates, commodity prices and correlations.

We also continuously assess and refine our BSSTs in an effort to ensure they capture material risks as well as reflect possible extreme market moves. Additionally, risk managers use their expert judgment to define worst case scenarios based upon the knowledge of past extreme market moves. It is possible however, for our market risk positions to lose more value than our economic capital estimates since all downside scenarios cannot be predicted and simulated.

Economic capital for traded default risk represents an estimate of the default and migration risks of credit products at a 99.98 % confidence level, taking into account the liquidity horizons of the respective sub-portfolios. It covers the following positions:

— Fair value assets in the banking book;
— Unsecuritized credit products in the trading book excluding correlation trading portfolio;
— Securitized products in the trading book excluding correlation trading portfolio; and
— Correlation trading portfolio.

The traded default risk economic capital for the correlation trading portfolio is calculated using the comprehensive risk measure. For all other positions the calculation of traded default risk economic capital is based on our credit portfolio model. Traded default risk captures the credit exposures across our trading books and it is monitored via single name concentration and portfolio limits which are set based upon rating, size and liquidity. In addition, a traded default risk economic capital limit is set within the Market Risk economic capital framework while the incremental risk charge monitors the regulatory capital requirements associated with these positions. In order to capture diversification and concentration effects we perform a joint calculation for traded default risk economic capital and credit risk economic capital. Important parameters for traded default risk are exposures, recovery rates and default probabilities as well as maturities. Exposures, recovery rates and default probabilities are derived from market information and external ratings for the trading book and internal assessments for the banking book as for credit risk economic capital. Rating migrations are governed by migration matrices, which are obtained from historical rating time series from rating agencies and internal observations. 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.

Validation of the market risk economic capital model is performed by an independent team. The regular review covers, but is not limited to, the appropriateness of risk factors, the calibration techniques, the parameter settings, and model assumptions.

**Balance Sheet and Trading Book Assets**

The table below presents those parts of our balance sheet which constitute trading or banking book assets from a regulatory point of view.

**Regulatory Trading Book Assets as part of the Balance Sheet**

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Balance Sheet</th>
<th>Trading Book</th>
<th>Banking Book</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and due from banks</td>
<td>27,885</td>
<td>163</td>
<td>27,722</td>
</tr>
<tr>
<td>Interest earning deposits with banks</td>
<td>119,548</td>
<td>2,905</td>
<td>116,643</td>
</tr>
<tr>
<td>Central banks funds sold and securities purchased under resale agreements</td>
<td>36,570</td>
<td>18,872</td>
<td>17,698</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>23,947</td>
<td>23,845</td>
<td>102</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>1,200,881</td>
<td>1,152,793</td>
<td>48,088</td>
</tr>
<tr>
<td>Trading Assets</td>
<td>245,538</td>
<td>229,070</td>
<td>16,468</td>
</tr>
<tr>
<td>Positive market values from derivative financial instruments</td>
<td>768,316</td>
<td>754,792</td>
<td>13,524</td>
</tr>
<tr>
<td>Financial assets designated at fair value through profit or loss</td>
<td>187,027</td>
<td>168,931</td>
<td>18,096</td>
</tr>
<tr>
<td>Financial assets available for sale</td>
<td>49,379</td>
<td>–</td>
<td>49,379</td>
</tr>
<tr>
<td>Equity method investments</td>
<td>3,577</td>
<td>–</td>
<td>3,577</td>
</tr>
<tr>
<td>Loans</td>
<td>397,279</td>
<td>2,175</td>
<td>395,104</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>4,963</td>
<td>–</td>
<td>4,963</td>
</tr>
<tr>
<td>Goodwill and other intangible assets</td>
<td>14,219</td>
<td>–</td>
<td>14,219</td>
</tr>
<tr>
<td>Other assets</td>
<td>123,973</td>
<td>47,708</td>
<td>76,265</td>
</tr>
<tr>
<td>Assets for current tax</td>
<td>2,390</td>
<td>–</td>
<td>2,390</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>7,718</td>
<td>–</td>
<td>7,718</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>2,012,329</td>
<td>1,248,461</td>
<td>763,868</td>
</tr>
</tbody>
</table>

1 Includes exposure in relation to non regulatory consolidated entities.
2 Only includes securities purchased under resale agreement as of December 31, 2012.
3 The regulatory Banking Book primarily includes debt securities as part of our liquidity portfolio as well as Traded Loans which do not fulfill the criteria for being allocated to the regulatory Trading Book.
4 Regulatory Trading Book positions mainly include brokerage receivables and derivatives qualifying for hedge accounting.
Value-at-Risk Metrics of Trading Units of Deutsche Bank Group Trading (excluding Postbank)

The table below presents the value-at-risk metrics calculated with a 99 % confidence level and a one-day holding period for our Trading Units.

### Value-at-Risk of our Trading Units by Risk Type

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate risk</td>
<td>53.9</td>
<td>53.8</td>
</tr>
<tr>
<td>Equity price risk</td>
<td>11.6</td>
<td>13.6</td>
</tr>
<tr>
<td>Foreign exchange risk</td>
<td>15.3</td>
<td>25.6</td>
</tr>
<tr>
<td>Commodity price risk</td>
<td>21.7</td>
<td>21.0</td>
</tr>
<tr>
<td>Diversification effect</td>
<td>(44.4)</td>
<td>(63.7)</td>
</tr>
<tr>
<td><strong>Total value-at-risk</strong></td>
<td><strong>58.1</strong></td>
<td><strong>50.4</strong></td>
</tr>
</tbody>
</table>

1 Includes value-at-risk from gold positions.

The following table shows the average, maximum, and minimum value-at-risk (with a 99 % confidence level and a one-day holding period) of our trading units for the periods specified.

### Value-at-Risk of our Trading Units in the Reporting Period

<table>
<thead>
<tr>
<th></th>
<th>Total Diversification effect</th>
<th>Interest rate risk</th>
<th>Equity price risk</th>
<th>Foreign exchange risk</th>
<th>Commodity price risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>in € m.</strong></td>
<td><strong>2012</strong></td>
<td><strong>2011</strong></td>
<td><strong>2012</strong></td>
<td><strong>2011</strong></td>
<td><strong>2012</strong></td>
</tr>
<tr>
<td>Average</td>
<td>57.1</td>
<td>72.7</td>
<td>61.1</td>
<td>65.4</td>
<td>58.4</td>
</tr>
<tr>
<td>Maximum</td>
<td>80.1</td>
<td>94.8</td>
<td>85.1</td>
<td>88.1</td>
<td>75.8</td>
</tr>
<tr>
<td>Minimum</td>
<td>43.3</td>
<td>45.4</td>
<td>35.3</td>
<td>41.1</td>
<td>44.3</td>
</tr>
</tbody>
</table>

1 Includes value-at-risk from gold positions.

The € 15.6 million or 21 % decrease in average value-at-risk observed in 2012 compared to the prior year was driven primarily by a broad risk reduction across most asset classes, but also partly due to the benefit of lower levels of volatility within the one year of historical market data used in the calculation during 2012.

### Basel 2.5 Regulatory Trading Market Risk Measures

As discussed under “Basel 2.5 Regulatory Trading Market Risk Requirements”, the following table shows the stressed value-at-risk (with a 99 % confidence level and a one-day holding period) of the trading units of our Trading.

#### Stressed Value-at-Risk by Risk Type

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate risk</td>
<td>157.7</td>
<td>117.3</td>
</tr>
<tr>
<td>Equity price risk</td>
<td>16.0</td>
<td>23.0</td>
</tr>
<tr>
<td>Foreign exchange risk</td>
<td>27.5</td>
<td>51.8</td>
</tr>
<tr>
<td>Commodity price risk</td>
<td>43.8</td>
<td>34.2</td>
</tr>
<tr>
<td>Diversification effect</td>
<td>(98.7)</td>
<td>(113.7)</td>
</tr>
<tr>
<td><strong>Total stressed value-at-risk of trading units</strong></td>
<td><strong>146.3</strong></td>
<td><strong>112.6</strong></td>
</tr>
</tbody>
</table>

Average, Maximum and Minimum Stressed Value-at-Risk by Risk Type

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate risk</td>
<td>142.0</td>
<td>178.9</td>
<td>110.2</td>
<td>131.6</td>
<td>163.5</td>
<td>106.2</td>
</tr>
<tr>
<td>Equity price risk</td>
<td>19.8</td>
<td>47.8</td>
<td>7.7</td>
<td>22.3</td>
<td>64.7</td>
<td>15.2</td>
</tr>
<tr>
<td>Foreign exchange risk</td>
<td>38.1</td>
<td>67.9</td>
<td>14.5</td>
<td>51.2</td>
<td>105.4</td>
<td>23.0</td>
</tr>
<tr>
<td>Commodity price risk</td>
<td>36.5</td>
<td>61.0</td>
<td>11.1</td>
<td>29.2</td>
<td>35.8</td>
<td>19.6</td>
</tr>
<tr>
<td>Diversification effect</td>
<td>(158.8)</td>
<td>(183.7)</td>
<td>(73.9)</td>
<td>(108.0)</td>
<td>(149.7)</td>
<td>(75.8)</td>
</tr>
<tr>
<td><strong>Total stressed value-at-risk of trading units</strong></td>
<td><strong>120.6</strong></td>
<td><strong>152.2</strong></td>
<td><strong>91.0</strong></td>
<td><strong>126.3</strong></td>
<td><strong>172.7</strong></td>
<td><strong>102.0</strong></td>
</tr>
</tbody>
</table>

1 Average, Maximum and Minimum have been calculated for the period from October 1, 2011 to December 31, 2011.

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. In contrast to this, the incremental risk charge presented for the reporting dates below is the spot values and the average.
maximum and minimum values for the 12-week period preceding these reporting dates. The NCOU incremental risk charge for 2012 is due to the hedges within the underlying portfolios.

In light of our restructuring in the fourth quarter of 2012 we have reallocated the credit risk sensitive positions of our trading book to the new structure and have restated amounts disclosed for the prior reporting date and period year accordingly.

<table>
<thead>
<tr>
<th>Incremental Risk Charge of Trading Units (with a 99.9 % confidence level and one-year capital horizon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
</tr>
<tr>
<td>Global Finance and Foreign Exchange</td>
</tr>
<tr>
<td>Rates and Credit Trading</td>
</tr>
<tr>
<td>NCOU</td>
</tr>
<tr>
<td>Emerging Markets – Debt</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total incremental risk charge</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average, Maximum and Minimum Incremental Risk Charge of Trading Units (with a 99.9 % confidence level and one-year capital horizon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
</tr>
<tr>
<td>Weighted average liquidity horizon in month</td>
</tr>
<tr>
<td>Global Finance and Foreign Exchange</td>
</tr>
<tr>
<td>Rates and Credit Trading</td>
</tr>
<tr>
<td>NCOU</td>
</tr>
<tr>
<td>Emerging Markets – Debt</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total incremental risk charge of trading units</td>
</tr>
</tbody>
</table>

Based on 52 weeks, the annual average of our total incremental risk charge was € 760 million for the year 2012. The maximum and minimum of the incremental risk charge for the year 2012 was € 878 million and € 673 million respectively.

For regulatory reporting purposes, the comprehensive risk measure for the respective reporting dates represents the higher of the 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 securitisation framework. In contrast to this, the comprehensive risk measure presented for the reporting dates below is the spot values and the average, maximum and minimum values have been calculated for the 12 weeks period preceding these reporting dates.

<table>
<thead>
<tr>
<th>Comprehensive Risk Measure of Trading Units (with a 99.9 % confidence level and one-year capital horizon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
</tr>
<tr>
<td>Correlation trading</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Average, Maximum and Minimum Comprehensive Risk Measure of Trading Units (with a 99.9 % confidence level and one-year capital horizon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
</tr>
<tr>
<td>Weighted average liquidity horizon in month</td>
</tr>
<tr>
<td>Correlation trading</td>
</tr>
</tbody>
</table>

1 Average, Maximum and Minimum have been calculated for the 12-week period ending December 31.
Based on 52 weeks, the annual average of our total comprehensive risk measure was € 693 million for the year 2012. The maximum and minimum of comprehensive risk measure for the year 2012 was € 884 million and € 418 million respectively.

As of December 31, 2012, the securitization positions using the market risk standardized approach generated risk weighted-assets of € 5.5 billion and capital deduction items of € 0.6 billion capital charge. As of December 31, 2011 the securitization positions amounted to € 5.0 billion and € 2.2 billion respectively.

As of December 31, 2012, the capital charge for longevity risk was € 32 million corresponding to risk weighted-assets of € 403 million. As of December 31, 2011, the capital charge for longevity risk was € 32 million corresponding to risk-weighted assets of € 401 million.

**Value-at-Risk at Postbank**

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate risk</td>
<td>1.2</td>
<td>3.9</td>
</tr>
<tr>
<td>Equity price risk</td>
<td>0.1</td>
<td>—</td>
</tr>
<tr>
<td>Foreign exchange risk</td>
<td>0.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Commodity price risk</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Diversification effect</td>
<td>(0.3)</td>
<td>(0.0)</td>
</tr>
<tr>
<td>Total value-at-risk of Postbanks trading book</td>
<td>1.2</td>
<td>3.9</td>
</tr>
</tbody>
</table>

The decrease in Postbank’s value-at-risk to € 1.2 million at year end 2012 from € 3.9 million at year end 2011 is largely due to further reduction of overall position taking and transfer of positions into the regulatory banking book. “Diversification effect” reflects the fact that the total value-at-risk on a given day will be lower than the sum of the value-at-risk relating to the individual risk classes. Simply adding the value-at-risk figures of the individual risk classes to arrive at an aggregate value-at-risk would imply the assumption that the losses in all risk categories occur simultaneously.

### Average, Maximum and Minimum Value-at-Risk of Postbank trading book (with a 99 % confidence level and a one-day holding period)

<table>
<thead>
<tr>
<th>Category</th>
<th>2012</th>
<th>2011</th>
<th>Total</th>
<th>Diversification effect</th>
<th>Interest rate risk</th>
<th>Equity price risk</th>
<th>Foreign exchange risk</th>
<th>Commodity price risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>3.4</td>
<td>3.2</td>
<td>3.2</td>
<td>(0.2)</td>
<td>3.4</td>
<td>3.2</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Maximum</td>
<td>5.9</td>
<td>8.2</td>
<td>8.2</td>
<td>(0.2)</td>
<td>6.0</td>
<td>8.1</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Minimum</td>
<td>0.9</td>
<td>1.1</td>
<td>1.1</td>
<td>(1.0)</td>
<td>0.9</td>
<td>1.1</td>
<td>(0.0)</td>
<td>(0.0)</td>
</tr>
</tbody>
</table>

### Regulatory Backtesting of Trading Market Risk

Backtesting is a procedure used to verify the predictive power of the value-at-risk calculations involving the comparison of hypothetical daily profits and losses under the buy-and-hold assumption with the estimates from the value-at-risk model. An outlier is a hypothetical buy-and-hold trading loss that exceeds our value-at-risk estimate. On average, we would expect a 99 percent confidence level to give rise to two to three outliers in any one year. In 2012, we observed two global outliers, one in April and one in December, compared to three in 2011. In both instances the outliers resulted from significant market moves those days that were in excess of our 99 % confidence level. We continue to believe that our value-at-risk model will remain an appropriate measure for our trading market risk under normal market conditions.

The following graph shows the daily buy-and-hold trading results in comparison to the value-at-risk as of the close of the previous business day for the trading days of the reporting period. Figures are shown in millions of euro and exclude contributions from Postbank’s trading book which is calculated on a stand-alone basis.
Daily Income of our Trading Units
The following histogram shows the distribution of daily income of our trading units in 2012 (excluding Post-bank). It displays the number of trading days on which we reached each level of trading income shown on the horizontal axis in millions of euro.

Income of Trading Units in 2012
Days
Our trading units achieved a positive actual income for 96 % of the trading days in 2012 (versus 88 % in 2011).

Economic Capital Usage for our Trading Market Risk
The economic capital usage for trading market risk was € 4.7 billion at year-end 2012, materially unchanged from year-end 2011. Our trading market risk economic capital usage decreased by € 34 million, or 1 %. The stable risk figure reflects offsetting effects of methodology refinements and exposure reductions.

Postbank’s contribution to the economic capital usage for our trading market risk was minimal.

Valuation of Market Risk Positions
For details about our methods for determining fair value see the respective section in Note 02 “Critical Accounting Estimates” of our financial statements.

Nontrading Market Risk

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. Significant market risk factors the bank is exposed to and are overseen by risk management groups in that area are:

— Interest rate risk (including model risk from embedded optionality and from modeling behavioral assumptions 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.

The market risk component of our nontrading activities is overseen by dedicated groups within our risk management organization. Due to the variety of businesses and initiatives subject to nontrading market risk exposure, coverage is split into three main areas:

— Market Risk Management – covering market risks arising in the business units PBC, GTB, AWM and Treasury and NCOU activities, such as structural foreign exchange risks & equity compensation risks, as well as pension risks.
— CRM Principal Investments – specializing in the risk-related aspects of our nontrading alternative asset activities and performing regular reviews of the risk profile of the banks alternative asset portfolios.
— CRM Asset Management Risk – specializing in the risk related aspects of our asset and fund management business in the AWM Corporate Division. Key risks in this area arise from performance and/or principal guarantees and reputational risk related to managing client funds.

The Risk Executive Committee and the Capital and Risk Committee supervise nontrading market risk exposures. Investment proposals for strategic investments are analyzed by the Group Investment Committee. Depending on the size, strategic investments may require approval from the Group Investment Committee, the Management Board or the Supervisory Board. The development of strategic investments is monitored by the Group Investment Committee on a regular basis. Multiple members of the Capital and Risk Committee & Risk Executive Committee are also members of the Group Investment Committee, ensuring a close link between these committees.

An independent team in Risk validates the models for nontrading market risk. In general the validation includes a review of the appropriateness of risk factors, parameters, parameter calibration and model assumptions. Validation results are presented to senior management and appropriate remediating actions are taken by Market Risk Management Methodology to improve the specific model used for the various risk types.
Assessment of Market Risk in Nontrading Portfolios

The majority of market risk in our nontrading portfolios is quantified through the use of stress testing procedures. We use stress tests 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 behavior in relation to deposit products. This assessment forms the basis of the economic capital calculations which enable us to actively monitor, aggregate and manage our nontrading market risk exposure. The most significant addition to our nontrading market risk economic capital coverage in 2012 was the inclusion of credit spread risk for Postbank’s banking book investment portfolio following additional regulatory specifications to include material credit spread risk, irrespective of the accounting category. The economic capital charge for the credit spread risk of the portfolio is in addition to credit risk economic capital allocated to the portfolio for risks arising from credit default and rating migrations.

Interest Rate Risk in the Banking Book

The majority of our 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 the CB&S division. This internally transferred interest rate risk is managed on the basis of value-at-risk, as reflected in trading portfolio figures. The treatment of interest rate risk in our trading portfolios and the application of the value-at-risk model is discussed in the “Trading Market Risk” section of this document.

The most notable exceptions from the aforementioned paragraph are in the PBC Corporate Division in Germany including Postbank and the AWM mortgage business in the U.S. Unit. These entities manage interest rate risk separately through dedicated Asset and Liability Management departments subject to banking book value-at-risk limits set and monitored by Market Risk Management. The measurement and reporting of interest rate risk managed by these dedicated Asset and Liability functions is performed daily in the PBC division and on a weekly basis for AWM. The global interest rate in the banking book is reported on a monthly basis.

The changes of present values of the banking book positions when applying the regulatory required parallel yield curve shifts of (200) and +200 basis points was below 1% of our total regulatory capital at December 31, 2012. Consequently, outright interest rate risk in the banking book is considered immaterial for us.

Our PBC, GTB and AWM businesses are subject to model risk with regard to client deposits as well as savings and loan products. Measuring interest rate risks for these product types in the banking book is based upon assumptions with respect to client behavior, future availability of deposit balances and sensitivities of deposit rates versus market interest rates resulting in a longer than contractual effective duration. Those parameters are subject to stress testing within our Economic Capital framework. Additionally, consideration is made regarding early prepayment behavior 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 our interest rate risks in the banking book.

Foreign Exchange Risk

Foreign exchange risk arises from our 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 CB&S 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 MRM 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 our U.S., U.K. 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 (“CTA”).

The primary objective for managing our 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.

Investment Risk
Nontrading market risk from investment exposure is predominantly the equity risk arising from our non-consolidated investment holdings in the banking book categorized into strategic and alternative investment assets.

Strategic investments typically relate to acquisitions made by us to support our 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 of assets recovered in the workout of distressed positions or other legacy investment assets in private equity and real estate of a non-strategic nature. The majority of the non-strategic investment portfolio has been moved to the newly created NCOU and its mandate to achieve accelerated de-risking and capital relief.

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 our defined benefit pension plans including interest rate risk, inflation risk, credit spread risk, equity risk and longevity risk. For details on our defined benefit pension obligation see Additional Note 34 “Employee Benefits”.

Other Risks
In addition to the above risks, Market Risk Management has the mandate to monitor and manage market risks that arise from capital and liquidity risk management activities of our treasury department. Besides the structural foreign exchange capital hedging process this includes market risks arising from our equity compensation plans.

Market risks in our asset management activities in AWM, primarily results from principal guaranteed funds, but also from co-investments in our funds.
Economic Capital Usage for Our Nontrading Market Risk Portfolios per Business Area

Economic Capital Usage of Nontrading Portfolios by Business Division

<table>
<thead>
<tr>
<th>Business Division</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
<th>2012 increase (decrease) from 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>€ m.</td>
<td>€ m.</td>
<td>in %</td>
</tr>
<tr>
<td>Corporate Banking &amp; Securities</td>
<td>818</td>
<td>443</td>
<td>375 (85)</td>
</tr>
<tr>
<td>Global Transaction Banking</td>
<td>136</td>
<td>87</td>
<td>49 (56)</td>
</tr>
<tr>
<td>Asset &amp; Wealth Management</td>
<td>1,235</td>
<td>1,257</td>
<td>(22) (2)</td>
</tr>
<tr>
<td>Private &amp; Business Clients</td>
<td>3,162</td>
<td>2,143</td>
<td>1,019 (48)</td>
</tr>
<tr>
<td>Non-Core Operations Unit</td>
<td>2,336</td>
<td>1,836</td>
<td>500 (27)</td>
</tr>
<tr>
<td>Consolidation &amp; Adjustments</td>
<td>808</td>
<td>1,512</td>
<td>(704) (47)</td>
</tr>
<tr>
<td>Total</td>
<td>8,495</td>
<td>7,278</td>
<td>1,217 (17)</td>
</tr>
</tbody>
</table>

Nontrading market risk economic capital usage totaled € 8.5 billion as of December 31, 2012, which is € 1.2 billion, or 17 %, above our economic capital usage at year-end 2011.

The increase was largely driven by the extension of nontrading market risk economic capital coverage to include material credit spread risks in the banking book and a higher capital charge for the guaranteed funds portfolio, partially offset by higher diversification benefit with other risk types as well as lower economic capital usage due to various asset disposals.

The increase in CB&S nontrading market risk economic capital was mainly driven by an increase of economic capital for guaranteed funds.

The increase in economic capital usage for PBC and the NCOU was caused by the inclusion of credit spread risk exposure of Postbank’s banking book investment portfolio into the coverage of the nontrading economic capital framework.

The major change in Consolidation & Adjustments was the decrease in economic capital for structural foreign exchange risk following a methodological extension to capture further diversification benefits with other components of our ICAAP framework.

Carrying Value and Economic Capital Usage for Nontrading Market Risk Portfolios

Carrying Value and Economic Capital Usage for Nontrading Portfolios

<table>
<thead>
<tr>
<th>Carrying Value and Economic Capital Usage for Nontrading Portfolios</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € bn.</td>
</tr>
<tr>
<td>Strategic Investments</td>
</tr>
<tr>
<td>Alternative Assets</td>
</tr>
<tr>
<td>Principal Investments</td>
</tr>
<tr>
<td>Other Non Strategic Investment Assets</td>
</tr>
<tr>
<td>Other nontrading market risks¹</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

¹ N/A indicates that the risk is mostly related to off-balance sheet and liabilities items.

The total economic capital figures for nontrading market risk currently do not take into account diversification benefits between the different asset categories except for those of equity compensation, structural foreign exchange risk, pension risk and banking book credit spread risks.

— Strategic Investments. Economic capital usage was mainly driven by our participation in Hua Xia Bank Company Limited.
— Alternative assets. The nontrading market risk economic capital decreased during 2012 mainly driven from further de-risking initiatives within the alternative assets portfolio.
— Other nontrading market risks:
  — Interest Rate Risk. Besides the allocation of economic capital to residual 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"), volatility of deposit balances and Deutsche Bank’s own credit spread. 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 our mortgages businesses. In total the economic capital usage for December 31, 2012 was € 1.4 billion predominantly driven by PBC including Postbank, BHW and Deutsche Bank Bauspar, versus € 1.5 billion as of December 31, 2011.

— Credit Spread Risk. Economic capital charge for portfolios in the banking book subject to material credit spread risk. Economic capital usage was € 1.6 billion as of December 31, 2012.

— Equity Compensation Risk. Risk arising from structural short position in our own share price arising from restricted equity units. The economic capital usage was € (303) million as of December 31, 2012 on a diversified basis, compared to € (101) million as of December 31, 2011. The negative contribution to our diversified economic capital was derived from the fact that a reduction of our share price in a downside scenario as expressed by economic capital calculation methodology would reduce the negative impact on our capital position from the equity compensation liabilities.

— Pension Risk. Risk arising 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 € 340 million and € 191 million as of December 31, 2012 and December 31, 2011 respectively.

— Structural foreign exchange risk. Our foreign exchange exposure arising from unhedged capital and retained earnings in non-euro currencies in certain subsidiaries. Our economic capital usage was € 828 million as of December 31, 2012 on a diversified basis versus € 1.5 billion as of December 31, 2011.

— Guaranteed Funds. The increase in economic capital usage to € 1.4 billion as of December 31, 2012 was triggered predominately by the higher capital charge for long duration guarantee funds as a result of the persistent low interest rate environment as well as asset allocation adjustments. As of December 31, 2011 the economic capital amounted to € 931 million.

### Accounting and Valuation of Equity Investments

Outside of trading, equity investments which are neither consolidated for regulatory purposes nor deducted from our regulatory capital are held as equity positions in the regulatory banking book. In our consolidated balance sheet, these equity investments are either classified as “Financial assets available for sale (“AFS”)” or “Equity method investments”. Only an immaterial amount of financial assets designated at fair value through profit and loss which are equity interests is included in the banking book. These investments are not addressed in this section.

For details on our accounting and valuation policies related to AFS equity instruments and investments in associates and joint ventures please refer to Notes 01 “Significant Accounting Policies”, 15 “Financial Instruments carried at Fair Value” and 18 “Equity Method Investments”.

### Equity Investments Held

The following section on Equity Investments Held, ending on page 154, presents specific disclosures in relation to Pillar 3. Per regulation it is not required to audit Pillar 3 disclosures. As such this section is labeled unaudited.

The tables below present IFRS classifications and the gains (losses) for equity investments held. These equity investments principally constitute equity positions in the regulatory banking book or capital deductions according to Section 10 (6) KWG. However, the following aspects need to be considered when comparing the equity investments held – presented below – with the equity position in the regulatory banking book:

— Equity investments held by entities, which are consolidated for IFRS purposes but not consolidated for regulatory purposes, are included in the tables.
— Entities holding equity investments which are considered for regulatory purposes but not consolidated according to IFRS, do not provide IFRS balance sheet and profit or loss information, and are excluded
from these tables. The regulatory exposure value (“EAD”) of these excluded equity investments amounted to € 246 million as of December 31, 2012, and € 116 million as of December 31, 2011.

— Other positions like equity underlyings resulting from derivative transactions or certain subordinated bonds which from a regulatory point of view are also assigned to the exposure class “Equity in the banking book” are excluded from the tables. Their EAD amounted to € 217 million as of December 31, 2012, and € 327 million as of December 31, 2011.

— The regulatory equity position includes € 3.2 billion EAD as of December 31, 2012, and € 2.5 billion EAD as of December 31, 2011, in respect of equity investments which are Group-internal from an IFRS perspective.

— “Non-exchange-traded positions” combine the two regulatory equity classes “Non-exchange-traded, but belonging to an adequately diversified equity portfolio” and “Other equity positions” according to Section 78 SolV.

**Equity Investments According to IFRS Classification**

<table>
<thead>
<tr>
<th>Carrying value</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets available for sale equity instruments</td>
<td>1,102</td>
<td>1,591</td>
</tr>
<tr>
<td>Exchange-traded positions</td>
<td>468</td>
<td>345</td>
</tr>
<tr>
<td>Non-exchange-traded positions</td>
<td>634</td>
<td>1,246</td>
</tr>
<tr>
<td>Equity method investments</td>
<td>3,735</td>
<td>3,813</td>
</tr>
<tr>
<td>Exchange-traded positions</td>
<td>2,395</td>
<td>2,227</td>
</tr>
<tr>
<td>Non-exchange-traded positions</td>
<td>1,340</td>
<td>1,586</td>
</tr>
<tr>
<td>Total equity investments</td>
<td>4,837</td>
<td>5,404</td>
</tr>
</tbody>
</table>

A difference between the carrying value of the investment positions and their fair value was only observable for the exchange-traded equity method investments, which had a carrying value of € 2.4 billion and a fair value of € 1.8 billion as of December 31, 2012.

**Realized Gains (Losses) in the Reporting Period and Unrealized Gains (Losses) at Year-end from Equity Investments**

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gains and losses on disposal</td>
<td>350</td>
</tr>
<tr>
<td>Impairments</td>
<td>(411)</td>
</tr>
<tr>
<td>Pro-rata share of net income (loss)</td>
<td>397</td>
</tr>
<tr>
<td>Total realized gains (losses) from equity investments</td>
<td>346</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealized revaluation gains (losses)</td>
<td>335</td>
</tr>
<tr>
<td>Difference between carrying value and fair value</td>
<td>(568)</td>
</tr>
<tr>
<td>Total unrealized gains (losses) from equity investments</td>
<td>(233)</td>
</tr>
</tbody>
</table>

For AFS equity investments, the components considered are realized gains and losses from sales and liquidations as well as unrealized revaluation gains and losses and impairments. For equity method investments, the gain and loss elements consist of realized gains and losses from sales and liquidations, pro-rata share of net income (loss), impairments and unrealized revaluation gains (losses) in form of the differences between carrying amounts and fair values. In this respect, the realized gains (losses) on disposals, the impairments and the pro-rata share of net income (loss) are referring to the reporting period 2012 and 2011 whereas the unrealized revaluation gains (losses) as well as the difference between the carrying values and the fair values for the at equity investments represent the amounts as of December 31, 2012, and December 31, 2011.

The valuation gains (losses) presented are in relation to equity investments. Overall the unrealized gains (losses) on listed securities as to be determined for regulatory purposes were € 122 million as of December 31, 2012, 45 % of which was included in Tier 2 capital, and € 155 million as of December 31, 2011, 45 % of which was included in Tier 2 capital.
Operational Risk

Definition of Operational Risk
Operational risk is the potential for failure (incl. the legal component) in relation to employees, contractual specifications and documentation, technology, infrastructure failure and disasters, external influences and customer relationships.

Particular prominent examples of operational risks are the following:

— Fraud Risk arises from an intentional act or omission involving dishonesty, for personal and/or business gain or to avoid personal and/or business loss such as falsification and/or alteration of records and/or reports, facilitation, breach of trust, intentional omission, misrepresentation, concealment, misleading, and abuse of position in order to obtain personal gain, business advantage and/or conceal improper/unauthorized activity.

— Business Continuity Risk is the risk of incurring losses resulting from the interruption of normal business activities. Interruptions can be caused by: deliberate acts such as sabotage, terrorism, bomb threats, strikes, riots and assaults on the bank’s staff; natural calamities such as hurricanes, snow storms, floods, and earthquakes; or other unforeseen incidents such as accidents, fires, explosions, utility outrages, and political unrest.

— Regulatory Compliance Risk is the potential that we may incur regulatory sanctions (such as restrictions on business activities or enhanced reporting requirements), financial and/or reputational damage arising from its failure to comply with applicable laws, rules and regulations.

— Information Technology Risk is the risk that our Information Technology will lead to quantifiable losses. This comes from inadequate information technology and processing in terms of manageability, exclusivity, integrity, controllability, and continuity.

— Outsourcing (Vendor) Risk arises from adverse events and risk concentrations due to failures in vendor selection, insufficient controls and oversight over a vendor and/or services provided by a vendor and other impacts to the vendor which could not happen to us by nature, severity or frequency.

Legal Risk can materialize in any of the above risk categories. This is due to the fact that in each category we may be the subject of a claim or proceedings alleging non-compliance with legal or statutory responsibilities and/or losses allegedly due to inaccurately drafted contracts.

Operational risk excludes business and reputational risk.

Organizational Structure
The Head of Operational Risk Management (“ORM”) chairs the Operational Risk Management Committee (“ORMC”), which is a permanent sub-committee of the Risk Executive Committee and is composed of the operational risk officers from our business divisions and our infrastructure functions. It is the main decision-making committee for all operational risk management matters.

While the day-to-day operational risk management lies with our business divisions and infrastructure functions, the Operational Risk Management function manages the cross divisional and cross regional operational risk as well as risk concentrations and promotes a consistent application of our operational risk management strategy across the bank. Based on this Business Partnership Model we aim to maintain close monitoring and high awareness of operational risk.

Managing Our Operational Risk
We manage operational risk based on a group-wide consistent framework that enables us to determine our operational risk profile in comparison to our risk appetite and systematically identify operational risk themes and concentrations to define risk mitigating measures and priorities. The global operational risk framework is applicable to all risk types included in the definition for operational risk and thus also applies to each of the
above defined individual risk types. The newly established business division NCOU fully applies our global operational risk framework.

In order to cover the broad range of operational risk as outlined in the definition of operational risk, our framework applies a number of techniques. These aim to efficiently manage the operational risk in our business and are used to identify, assess and mitigate operational risk.

The applied techniques are:

— The continuous collection of operational risk loss events is a prerequisite for operational risk management including detailed analyses, definition of mitigating actions and timely information to senior management. We collect all losses above € 10,000 in our “db-Incident Reporting System” (“dbIRS”).
— Our Lessons Learned process is required for events, including near misses, above € 1 million. This process includes but is not limited to:
  — systematic risk analyses including a description of the business environment in which the loss occurred, including previous events, near misses and event specific Key Risk Indicators (“KRI”),
  — consideration of any risk management decisions in respect of the specific risk taken,
  — root cause analyses,
  — identification of control improvements and other actions to prevent and/or mitigate recurrence, and
  — assessment of the residual operational risk exposure.
The Lessons Learned process serves as an important mean to identify inherent areas of risk and to define appropriate risk mitigating actions. All corrective actions are captured and monitored for resolution via actions plans in our tracking system “dbTrack”. Performance of all corrective actions and their resolution status is reported on a monthly basis to senior management via the ORMC.
— We systematically utilize information on external events occurring in the banking industry to prevent similar incidents from happening to us, e. g. by particular deep dive analysis or risk profile reviews.
— In addition to internal and external loss information, scenarios are utilized and actions are derived from them. The set of scenarios consists of relevant external scenarios provided by a public database and internal scenarios. The latter are generated to complete our risk profile.
— Regular operational risk profile reports at group level for our business divisions, the countries in which we operate and our infrastructure functions are reviewed and discussed with the department’s senior management. The regular performance of the risk profile reviews enables us to detect changes to the business unit’s risk profiles as well as risk concentrations across the Group early and to take corrective actions.
— We assess and approve the impact of changes to our risk profile as a result of new products, outsourcings, strategic initiatives and acquisitions and divestments.
— Once operational risks are identified, mitigation is required following the “as low as reasonably practicable (ALARP)’ principle by balancing the cost of mitigation with the benefits thereof and formally accepting the residual operational risk. Risks which contravene applicable national or international regulations and legislation cannot be accepted; once identified, such risks must always be mitigated.
— We monitor risk mitigating measures identified via operational risk management techniques for resolution within our tracking tool “dbTrack”. Higher than important residual operational risks need to be accepted by the ORMC.
— We perform 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. Besides the operational risk management strategic and tactical planning we define capital and expected loss targets which are monitored on a regular basis within a quarterly forecasting process.
— KRIs are used to monitor the operational risk profile and alert the organization to impending problems in a timely fashion. They allow via our tool “dbScore” the monitoring of the bank’s control culture and business environment and trigger risk mitigating actions. KRIs facilitate the forward looking management of operational risk based on early warning signals returned by the KRIs.
— In our bottom-up Self Assessment (“SA”) process, which is conducted at least annually, areas with high risk potential are highlighted and risk mitigating measures to resolve issues are identified. In general, it is
performed in our tool “dbSAT”. On a regular basis we conduct risk workshops aiming to evaluate risks specific to countries and local legal entities we are operating in and take appropriate risk mitigating actions.

Additional methodologies and tools implemented by the responsible divisions are utilized to complement the global operational risk framework and specifically address the individual risk types. These include but are not limited to:

— Legal Risk Lessons Learned process: The Legal Department is responsible for managing the legal and reputational risk associated with the bank’s litigation and regulatory enforcement matters. The Legal Department discharges this responsibility through the management and supervision of these matters by the litigation and regulatory enforcement attorneys (“LRAs”) assigned to them, and the regional and global supervision of those LRAs within the Legal Department. The LRAs day-to-day management and oversight of litigation and regulatory enforcement matters may provide a unique perspective on historical practices, possible legal and reputational risk that may result from such historical practices and possible steps that may be taken to mitigate such future risks. Within the operational risk management framework a specific Lessons Learned process for Legal losses is conducted to consider the lessons learned from litigation and regulatory enforcement actions. This includes permanent involvement of Legal, ORM and the Divisional Operational Risk Officers (“DOROs”).

— The operational risk in Outsourcing Risk is managed by the Internal Relocation and Outsourcing (“IRO”) Process and documented in the IRO database. The outsourcing risk is assessed and managed for all outsourcing arrangements individually following the Smartsourcing Risk Management Policy and the overall ORM framework. A broad governance structure is established to promote appropriate risk levels.

— Fraud Risk is managed based on section 25a of the German Banking Act as well as other legal and regulatory requirements on a risk based approach, governed by the Global Anti Fraud Policy and corresponding Compliance and Anti-Money-Laundering (AML) framework. In line with regulatory requirements a global risk assessment is performed on a regular basis. Within the general management of operational risks dedicated Fraud Risk relevant aspects are part of the Self Assessments.

— We manage Business Continuity (“BC”) Risk with our Business Continuity Management (“BCM”) Program, which outlines core procedures for the relocation or the recovery of operations in response to varying levels of disruption. Within this program each of our core businesses functions and infrastructure groups institute, maintain and periodically test business continuity plans (“BC Plans”) to promote continuous and reliable service. The BCM Program has defined roles and responsibilities, which are documented in corporate standards. Compliance with these standards is monitored regionally by dedicated business continuity teams. Reporting to the Group Resiliency Steering Committee (the delegated authority from the Management Board) is a quarterly requirement. Furthermore, key information of the established BCM control environment is used within the general operational risk management for KRIs.

— The operational risk in Technology Risk is managed within the technology area following international standards for IT management. Applications and IT infrastructure are catalogued and assessed on a regular basis and stability monitoring is established. Key outcomes of the established assessment and control environment are used within the general management or operational risks for KRIs and SAs.

**Measuring Our Operational Risks**

We calculate and measure the regulatory and economic capital for operational risk using the internal Advanced Measurement Approach (“AMA”) methodology. Our AMA capital calculation is based upon the loss distribution approach (“LDA”). Gross losses from historical internal and external loss data (Operational Riskdata eXchange Association (“ORX”) consortium data), adjusted for direct recoveries, and external scenarios from a public database complemented by internal scenario data are used to estimate the risk profile (that is, a loss frequency and a loss severity distribution). Thereafter, the frequency and severity distributions are combined in a Monte Carlo simulation to generate 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 the Group level covering expected and unexpected losses. Capital is then allocated to each of the business divisions and both a qualitative adjustment (“QA”) and an expected loss deduction are made.
The qualitative adjustment reflects the effectiveness and performance of the day-to-day operational risk management activities via KRIs and Self Assessment scores focusing on the business environment and internal control factors. The qualitative adjustment is applied as a percentage adjustment to the final capital number. This approach makes qualitative adjustment transparent to the management of the businesses and provides feedback on their risk profile as well as on the success of their management of operational risk. It thus provides incentives for the businesses to continuously improve the management of operational risks in their areas.

The expected loss ("EL") for operational risk is based on historical loss experience and expert judgment considering business changes denoting the expected cost of operational losses for doing business. To the extent it is considered in the divisional business plans it is deducted from the AMA capital figure. The unexpected losses per business division (after QA and expected loss) are aggregated to produce the Group AMA capital figure.

Economic capital is derived from the 99.98% percentile and allocated to the business divisions and used in performance measurement and resource allocation, providing an incentive to manage operational risk, optimizing economic capital utilization. The regulatory capital operational risk applies the 99.9% percentile.

Since December 2007, we have maintained approval by the BaFin to use the AMA. In 2012, the integration of Postbank into our group-wide framework was finalized. We are waiting for regulatory approval to integrate Postbank into our regulatory capital calculation.

The economic capital usage for operational risk increased by €172 million, or 3.5%, to €5 billion as of December 31, 2012.

<table>
<thead>
<tr>
<th>Economic Capital Usage for Operational Risk by Business Division</th>
<th>2012 increase (decrease) from 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec 31, 2012</td>
</tr>
<tr>
<td>Corporate Banking &amp; Securities</td>
<td>2,049</td>
</tr>
<tr>
<td>Global Transaction Banking</td>
<td>38</td>
</tr>
<tr>
<td>Asset &amp; Wealth Management</td>
<td>559</td>
</tr>
<tr>
<td>Private &amp; Business Clients</td>
<td>227</td>
</tr>
<tr>
<td>Non-Core Operations Unit</td>
<td>2,145</td>
</tr>
<tr>
<td>Total economic capital usage for operational risk</td>
<td>5,018</td>
</tr>
</tbody>
</table>

The increase is primarily due to higher industry operational risk loss experience, the integration of BHF-BANK into our AMA model in the first quarter 2012, as well as a model refinement in the second quarter 2012. The capital continues to include the safety margin applied in our AMA model, which was implemented in 2011 to cover unforeseen legal risks from the current financial crisis.

At the beginning of 2012, the sub-allocation methodology within CB&S was changed and increased the capital for the part that was later merged into NCOU.

Our Operational Risk Management Stress Testing Concept
We conduct stress testing on a regular basis and separate from our AMA methodology to analyze the impact of extreme situations on our capital and the profit-and-loss account. In 2012, Operational Risk Management took part in all firm-wide stress test scenarios and assessed and contributed the Operational Risk impact to the various stress levels of the scenarios. The Operational Risk impact to stress test scenarios has been moderate and remained in the expected range in regards to capital, but intense for simulated low-frequency high-impact event hits to the Consolidated Statement of Income.

Our AMA Model Validation and Quality Assurance Review Concept
We independently validate all our AMA model components such as but not limited to scenario analysis, KRIs and Self Assessments, Expected Loss and internal loss data individually. The results of the validation exercise are summarized in validation reports and issues identified are followed up for resolution. This promotes en-
hancement of the methodologies. The validation activities performed in 2012 showed that our AMA model components are valid and regulatory compliant.

Quality Assurance Reviews are performed for management decisions as well as AMA components requiring data input provided by business divisions and result in capital impact. The AMA components data and documentation is challenged and compared across business divisions to help us maintain consistency and adequacy for any capital calculation.

Role of Corporate Insurance/Deukona

The definition of our insurance strategy and supporting insurance policy and guidelines is the responsibility of our specialized unit Corporate Insurance/Deukona (CI/D). CI/D is responsible for our global corporate insurance policy which is approved by our Management Board.

CI/D is responsible for acquiring insurance coverage and for negotiating contract terms and premiums. CI/D also has a role in the allocation of insurance premiums to the businesses. CI/D specialists assist in devising the method for reflecting insurance in the capital calculations and in arriving at parameters to reflect the regulatory requirements. They validate the settings of insurance parameters used in the AMA model and provide respective updates. CI/D is actively involved in industry efforts to reflect the effect of insurance in the results of the capital calculations.

We buy insurance in order to protect ourselves against unexpected and substantial unforeseeable losses. The identification, definition of magnitude and estimation procedures used are based on the recognized insurance terms of “common sense”, “state-of-the-art” and/or “benchmarking”. The maximum limit per insured risk takes into account the reliability of the insurer and a cost/benefit ratio, especially in cases in which the insurance market tries to reduce coverage by restricted/limited policy wordings and specific exclusions.

We maintain a number of captive insurance companies, both primary and re-insurance companies. However, insurance contracts provided are only considered in the modeling/calculation of insurance-related reductions of operational risk capital requirements where the risk is re-insured in the external insurance market.

The regulatory capital figure includes a deduction for insurance coverage amounting to € 474 million as of December 31, 2012. Currently, no other risk transfer techniques beyond insurance are recognized in the AMA model.

CI/D selects insurance partners in strict compliance with the regulatory requirements specified in the Solvency Regulations and the Operational Risks Experts Group recommendation on the recognition of insurance in advanced measurement approaches. The insurance portfolio, as well as CI/D activities, is audited by Group Audit on a risk-based approach.

Liquidity Risk

Liquidity risk is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs.

Our liquidity risk management framework has been an important factor in maintaining adequate liquidity and in managing our funding profile during 2012. As of year end 2012, Postbank’s liquidity risk management framework is now integrated within that of the overall Deutsche Bank Group, and as such we no longer include a separate discussion of Liquidity Risk at Postbank (see 2011 Financial Report/Risk Report). Postbank is therefore reflected within the following sections on a consistent basis with all other group entities.
Liquidity Risk Management Framework

The Management Board defines our liquidity risk strategy, and in particular our tolerance for liquidity risk based on recommendations made by Treasury and the Capital and Risk Committee. At least once every year the Management Board will review and approve the limits which are applied to the Group to measure and control liquidity risk as well as our long-term funding and issuance plan.

Our Treasury function is responsible for the management of our liquidity and funding risk globally as defined in the liquidity risk strategy. Our liquidity risk management framework is designed to identify, measure and manage our liquidity risk position. Our overall liquidity and funding is being reported to the Management Board at least weekly via a Liquidity Scorecard. Our liquidity risk management approach starts at the intraday level (operational liquidity) managing the daily payments queue, forecasting cash flows and factoring in our access to Central Banks. It then covers tactical liquidity risk management dealing with access to secured and unsecured funding sources. Finally, the strategic perspective comprises the maturity profile of all assets and liabilities (Funding Matrix) and our issuance strategy.

Our cash-flow based reporting system provides daily liquidity risk information to global and local management.

Stress testing and scenario analysis plays a central role in our liquidity risk management framework. This also incorporates an assessment of asset liquidity, i.e., the characteristics of our asset inventory, under various stress scenarios as well as contingent funding requirements from off-balance-sheet commitments. The monthly stress testing results are used to calibrate our short-term wholesale funding profile limits (both unsecured and secured) and thereby ensure we remain within the Board’s overall liquidity risk tolerance.

Short-term Liquidity and Wholesale Funding

Our group-wide reporting system tracks all contractual cash flows from wholesale funding sources on a daily basis over a 12-month horizon. We consider as wholesale funding for this purpose unsecured liabilities raised primarily by our Global Markets Finance business as well as secured liabilities primarily raised by our Global Markets Finance and Equities businesses. Such liabilities primarily come from corporates, banks and other financial institutions, governments and sovereigns. Wholesale funding profile limits, which are calibrated against our stress testing results and are approved by the Management Board according to internal governance, express our maximum tolerance for liquidity risk. The wholesale funding limits apply to the respective cumulative global cash outflows as well as the total volume of unsecured wholesale funding and are monitored on a daily basis. Our Liquidity Reserves are the primary mitigant against stresses in short-term wholesale funding markets. At an individual entity level we may set liquidity outflow limits across a broader range of cash flows where this is considered to be meaningful or appropriate.

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 are capital markets and equity, retail, and transaction banking clients. Other customer deposits and borrowing from wholesale clients are additional sources of funding. Discretionary wholesale funding represents unsecured wholesale liabilities sourced primarily by our Global Markets Finance business. Given the relatively short-term nature of these liabilities, they are primarily used to fund cash and liquid trading assets.

To ensure the additional diversification of our refinancing activities, we hold a Pfandbrief license allowing us to issue mortgage Pfandbriefe.

In 2012 we continued to focus on increasing our most stable funding components, and we have seen increases of € 12.2 billion (4.4 %) and € 21.4 billion (12.4 %) from retail and transaction banking clients respectively. We maintain access to short-term wholesale funding markets, on both a secured and unsecured basis.
Discretionary wholesale funding comprises a range of unsecured products e.g. Certificates of Deposit (CDs), Commercial Paper (CP) as well as term, call and overnight deposits across tenors primarily up to one year. In addition, included within Financing Vehicles, is € 8.6 billion of asset-backed commercial paper (ABCP) issued through conduits.

The overall volume of discretionary wholesale funding and secured funding fluctuated between reporting dates based on our underlying business activities. Higher volumes, primarily in secured funding transactions, are largely driven by increased client related securities financing activities as well as intra quarter growth in liquid trading inventories. We reduced the volume of discretionary wholesale funding during the year by € 40.0 billion. This reduction was a consequence of the increase in more stable funding sources combined with a decrease, on a like for like basis, in Liquidity Reserves.

To avoid any unwanted reliance on these short-term funding sources, and to ensure a sound funding profile at the short end, which complies with the defined risk tolerance, we have implemented limit structures (across tenor) to these funding sources, which are derived from our stress testing analysis.

The following chart shows the composition of our external funding sources that contribute to the liquidity risk position as of December 31, 2012 and December 31, 2011, both in EUR billion and as a percentage of our total external funding sources.

The following table shows the contractual maturity of our short-term wholesale funding (comprising discretionary wholesale funding plus asset-backed commercial paper), as well as our capital markets issuance (of which 33 % is to retail customers).
Maturity of wholesale funding and capital markets issuance

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Not more than 1 month</th>
<th>Over 1 month but not more than 3 months</th>
<th>Over 3 months but not more than 6 months</th>
<th>Over 6 months but not more than 1 year</th>
<th>Sub-total less than 1 year</th>
<th>Over 1 year but not more than 2 years</th>
<th>Over 2 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits from banks</td>
<td>24,627</td>
<td>5,820</td>
<td>2,542</td>
<td>870</td>
<td>33,859</td>
<td>25</td>
<td>214</td>
<td>34,098</td>
</tr>
<tr>
<td>Deposits from other customers</td>
<td>20,776</td>
<td>1,996</td>
<td>779</td>
<td>465</td>
<td>24,015</td>
<td>185</td>
<td>294</td>
<td>24,495</td>
</tr>
<tr>
<td>CDs and CP</td>
<td>9,978</td>
<td>14,880</td>
<td>5,329</td>
<td>3,625</td>
<td>33,812</td>
<td>283</td>
<td>183</td>
<td>34,277</td>
</tr>
<tr>
<td>ABCP</td>
<td>4,552</td>
<td>3,721</td>
<td>532</td>
<td>8,649</td>
<td>283</td>
<td>8,649</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior unsecured vanilla debt</td>
<td>1,972</td>
<td>4,921</td>
<td>5,101</td>
<td>4,489</td>
<td>16,483</td>
<td>6,929</td>
<td>37,419</td>
<td>60,832</td>
</tr>
<tr>
<td>Senior unsecured structured debt</td>
<td>969</td>
<td>1,271</td>
<td>1,331</td>
<td>2,640</td>
<td>6,210</td>
<td>4,611</td>
<td>21,184</td>
<td>32,005</td>
</tr>
<tr>
<td>Covered bonds/ABS</td>
<td>1,501</td>
<td>1,120</td>
<td>-</td>
<td>11</td>
<td>2,631</td>
<td>3,555</td>
<td>25,316</td>
<td>31,502</td>
</tr>
<tr>
<td>Subordinated liabilities</td>
<td>2,180</td>
<td>4,704</td>
<td>1,750</td>
<td>1,262</td>
<td>9,898</td>
<td>1,069</td>
<td>11,940</td>
<td>22,906</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>33</td>
<td>3</td>
<td>6</td>
<td>58</td>
<td>18</td>
<td>227</td>
<td>303</td>
</tr>
<tr>
<td>Total</td>
<td>66,563</td>
<td>38,465</td>
<td>17,220</td>
<td>13,368</td>
<td>135,616</td>
<td>16,675</td>
<td>96,777</td>
<td>249,068</td>
</tr>
<tr>
<td>Of which secured</td>
<td>60,509</td>
<td>33,625</td>
<td>16,844</td>
<td>13,357</td>
<td>124,335</td>
<td>13,120</td>
<td>71,461</td>
<td>208,917</td>
</tr>
<tr>
<td>Of which unsecured</td>
<td>6,054</td>
<td>4,841</td>
<td>376</td>
<td>11</td>
<td>1281</td>
<td>3,555</td>
<td>25,316</td>
<td>40,152</td>
</tr>
</tbody>
</table>

1 Liabilities with call features are shown at earliest legally exercisable call date. No assumption is made as to whether such calls would be exercised.

The total volume (€ 135.6 billion) of maturing wholesale liabilities and capital markets issuance maturing within one year should be viewed in the context of our total Liquidity Reserves of € 232.2 billion.

Funding Matrix

We map all funding-relevant assets and all liabilities into time buckets corresponding to their economic maturities to compile a maturity profile (funding matrix). Given that trading assets are typically more liquid than their contractual maturities suggest, we determine individual liquidity profiles reflecting their relative liquidity value. We take assets and liabilities from the retail bank (mortgage loans and retail deposits) that show a behavior of being renewed or prolonged regardless of capital market conditions and assign them to time buckets reflecting the expected prolongation. Wholesale banking products are included with their contractual maturities.

The funding matrix identifies the excess or shortfall of assets over liabilities in each time bucket, facilitating management of open liquidity exposures. The funding matrix analysis together with the strategic liquidity planning process, which forecasts the funding supply and demand across business units, provides the key input parameter for our annual capital market issuance plan. Upon approval by the Management Board the capital market issuance plan establishes issuing targets for securities by tenor, volume and instrument. As of the year-end 2012, we were long funded in each of the annual time buckets of the funding matrix (>1 year to >10 year).

Funding Markets and Capital Markets Issuance

Credit markets over 2012 continued to be marked by overall macro-economic developments and the eurozone sovereign crisis. Our 5 year CDS traded within a range of 92 – 222 bps, peaking in July. Since then, the spread has declined and as of year-end was trading close to its lows for the year. The spreads on our bonds exhibited similar volatility. For example, our 5 year EUR benchmark (5.125 % coupon, maturing in August 2017) traded in a range of 40 – 163 bps, also closing the year close to its lows.

Our 2012 funding plan of € 15.0 – 20.0 billion, comprising debt issuance with an original maturity in excess of one year, was completed in early September and we concluded 2012 having raised € 17.9 billion in term funding. This funding was completed broadly across the following funding sources: unsecured benchmark issuance (€ 3.1 billion), unsecured retail-targeted issuance (€ 5.9 billion), unsecured private placements (€ 6.8 billion) and covered bond or Pfandbrief issuance (€ 2.0 billion). Of the € 17.9 billion total, the majority was in EUR (€ 10.2 billion). We also issued € 6.2 billion in USD and smaller amounts in JPY and GBP. In addition to direct issuance, we use long-term cross currency swaps to manage our funding needs outside of EUR. Our investor base comprised retail customers (33 %), banks (25 %), asset managers and pension funds (15 %), insurance companies (6 %) and other, including institutional investors (21 %). The geographical distribution was split between Germany (28 %), Rest of Europe (31 %), US (21 %), Asia Pacific (16 %) and Other (4 %). Of our total
capital markets issuance outstanding as of December 31, 2012, approximately 80% was issued on an unsecured basis.

The average spread of our issuance over the relevant floating index (e.g., Libor) was 64 bps for the full year with an average tenor of 4.2 years. Our issuance activities were evenly spread over the first three quarters with volumes reducing in the fourth quarter as we completed our plan. We issued the following volumes over each quarter: €5.7 billion, €4.8 billion, €5.5 billion and €1.9 billion, respectively.

In 2013, our funding plan is up to €18.0 billion which we plan to cover by accessing the above four sources, without being overly dependent on any one source. We also plan to raise a portion of this funding in USD and may enter into cross currency swaps to manage any residual requirements. We have total capital markets maturities, excluding legally exercisable calls of approximately €24.0 billion in 2013.

For information regarding the maturity profile of our wholesale funding and capital markets issuance please refer to the previous table.

**Transfer Pricing**

We operate a transfer pricing framework that applies to all businesses and ensures pricing of (i) assets in accordance with their underlying liquidity risk, (ii) liabilities in accordance with their funding maturity and (iii) contingent liquidity exposures in accordance with the cost of providing for commensurate liquidity reserves to fund unexpected cash requirements.

Within this transfer pricing framework we allocate funding and liquidity risk costs and benefits to the firm’s business units and set financial incentives in line with the firm’s liquidity risk guidelines. Transfer prices are subject to liquidity (term) premiums depending on market conditions. Liquidity premiums are set by Treasury and picked up by a segregated liquidity account. The Treasury liquidity account is the aggregator of long-term liquidity costs. The management and cost allocation of the liquidity account is the key variable for transfer pricing funding costs within Deutsche Bank.

**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 the Liquidity Reserves is a function of the expected stress result, both at an aggregate level as well as at an individual currency level. To the extent we receive incremental short-term wholesale liabilities which attract a high stress roll-off, we will largely keep the proceeds of such liabilities in cash or highly liquid securities as a stress mitigant. As such, the total volume of Liquidity Reserves will fluctuate according to the level of short-term wholesale liabilities held, although this has no material impact on our overall liquidity position under stress. Liquidity Reserves only include assets that are freely transferable within the group, or can be applied against local entity stress outflows. These reserves are held across major currencies and key locations in which the bank is active. The vast majority of our Liquidity Reserves are centrally held at our parent level or at our foreign branches. Size and composition are subject to regular senior management review. The haircuts applied reflect our assumption of the actual liquidity value that could be obtained, primarily through secured funding, and take into account the experience observed in secured funding markets at times of stress.

The following table presents the composition of our Liquidity Reserves for the dates specified. As of December 31, 2012, Liquidity Reserves were €232 billion (now including Postbank with €26 billion following integration). The December 31, 2011 comparative amounts do not include Postbank. Excluding Postbank, we saw a decrease in our Liquidity Reserves of €16 billion. The primary driver of this was a reduction of €40 billion in our discretionary wholesale funding during the year, offset by growth in more stable funding sources. Excluding Postbank, our average Liquidity Reserves during the year were €211 billion.
### Composition of our liquidity reserves by parent company (including branches) and subsidiaries

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying Value</td>
<td>Liquidity Value</td>
</tr>
<tr>
<td>Available cash and cash equivalents (held primarily at central banks)</td>
<td>128</td>
<td>128</td>
</tr>
<tr>
<td>Parent (incl. foreign branches)</td>
<td>112</td>
<td>112</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Highly liquid securities (includes government, government guaranteed and agency securities)</td>
<td>91</td>
<td>82</td>
</tr>
<tr>
<td>Parent (incl. foreign branches)</td>
<td>56</td>
<td>52</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td>Other unencumbered central bank eligible securities</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Parent (incl. foreign branches)</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total liquidity reserves</strong></td>
<td><strong>232</strong></td>
<td><strong>220</strong></td>
</tr>
<tr>
<td>Parent (incl. foreign branches)</td>
<td>180</td>
<td>173</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>52</td>
<td>47</td>
</tr>
</tbody>
</table>

1 Amounts previously disclosed for December 31, 2011 have been adjusted to include also liquidity reserves which cannot be freely transferred across the group, but which are available to mitigate stress outflows in the entities in which they are held.

The above represents those assets that are unencumbered and which could most readily be used as a source of liquidity over a short-term stress horizon. Carrying value represents market value of Liquidity Reserves. Liquidity value represents the value we give to our Liquidity Reserves, post haircut, under our combined stress scenario assumptions. For an analysis of the pledged assets on the balance sheet, please refer to Note 22 “Assets Pledged and Received as Collateral”.

### Stress Testing and Scenario Analysis

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 have been based on historic events, such as the 1987 stock market crash, the 1990 U.S. liquidity crunch and the September 2001 terrorist attacks, liquidity crisis case studies and hypothetical events, as well as the lessons learned from the latest financial markets crisis.

They include the prolonged term money-market and secured funding freeze, collateral repudiation, reduced fungibility of currencies, stranded syndications as well as other systemic knock-on effects. The scenario types cover institution-specific events (e.g. rating downgrade), market related events (e.g. systemic market risk) as well as a combination of both, which links a systemic market shock with a multi-notch rating downgrade. We apply stress scenarios to selected significant currencies and entities. Those scenarios are subject to regular reviews and reappraisal.

Under each of these scenarios we assume a high degree of rollovers of maturing loans to non-wholesale customers (in order to support franchise value) whereas the rollover of liabilities will be partially or fully impaired resulting in a funding gap. In this context wholesale funding from the most risk sensitive sources (including unsecured funding from commercial banks, money market mutual funds, as well as asset backed commercial paper) is assumed to contractually roll off in the acute phase of stress. In addition we analyze the potential funding requirements from contingent risks which could materialize under stress. Those include drawings of credit facilities, increased collateral requirements under derivative agreements as well as outflows from deposits with a contractual rating trigger. We then model the steps we would take to counterbalance the resulting net shortfall in funding. Countermeasures would include our Liquidity Reserves, as well as potential further asset liquidity from other unencumbered securities. Stress testing is conducted at a global and individual country level and across significant non-eurozone currencies. We review stress-test assumptions at least annually and have increased the severity of a number of these assumptions through the course of 2012.

Stress testing is fully integrated in our liquidity risk management framework. For this purpose we use the contractual wholesale cash flows per currency and product over an eight-week horizon (which we consider the most critical time span in a liquidity crisis) and apply the relevant stress case to all potential risk drivers from
on balance sheet and off balance sheet products. Beyond the eight week time horizon we analyze on a monthly basis the impact of a more prolonged stress period extending out to twelve months. The liquidity stress testing provides the basis for the bank’s contingency funding plan which is approved by the Management Board.

Our stress testing analysis assesses our ability to generate sufficient liquidity under extreme conditions and is a key input when defining our target liquidity risk position. The analysis is performed monthly. The following table shows stress testing results as of December 31, 2012. For each scenario, the table shows what our cumulative funding gap would be over an eight-week horizon after occurrence of the triggering event, how much counterbalancing liquidity we could generate via different sources as well as the resulting net liquidity position.

### Stress Testing Results

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Funding Gap</th>
<th>Gap Closure</th>
<th>Net Liquidity Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemic market risk</td>
<td>39</td>
<td>217</td>
<td>178</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>15</td>
<td>216</td>
<td>201</td>
</tr>
<tr>
<td>1 notch downgrade (DB specific)</td>
<td>45</td>
<td>222</td>
<td>177</td>
</tr>
<tr>
<td>Downgrade to A-2/P-2 (DB specific)</td>
<td>215</td>
<td>262</td>
<td>47</td>
</tr>
<tr>
<td>Combined</td>
<td>227</td>
<td>255</td>
<td>28</td>
</tr>
</tbody>
</table>

1. Funding gap caused by impaired rollover of liabilities and other projected outflows.
2. Based on liquidity generation through Liquidity Reserves (after haircuts) and other countermeasures.

The table below presents the amount of additional collateral required in the event of a one- or two-notch downgrade by rating agencies.

### Additional Contractual Obligations

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>One-notch</td>
</tr>
<tr>
<td></td>
<td>downgrade</td>
</tr>
<tr>
<td>Contractual derivatives funding or margin requirements</td>
<td>3,593</td>
</tr>
<tr>
<td>Other contractual funding or margin requirements</td>
<td>544</td>
</tr>
</tbody>
</table>

With the increasing importance of liquidity management in the financial industry, we maintain an active dialogue with central banks, supervisors, rating agencies and market participants on liquidity risk-related topics. We participate in a number of working groups regarding liquidity and support efforts to create industry-wide standards to evaluate and manage liquidity risk at financial institutions. In addition to our internal liquidity management systems, the liquidity exposure of German banks is regulated by the Banking Act and regulations issued by the BaFin.

### Maturity Analysis of Assets and Financial Liabilities

Treasury manages the maturity analysis of assets and liabilities. Modeling of assets and liabilities is necessary in cases where a product has no contractual maturity or the contractual maturity does not adequately reflect the liquidity risk position. The most significant example in this context would be deposits from retail and transaction banking customers which generally have no contractual maturity, yet have consistently displayed high stability throughout even the most severe financial crises.

The modeling profiles are part of the overall liquidity risk management framework (see section “Stress Test” for short-term liquidity positions ≤1yr and section “Funding Matrix” for long-term liquidity positions >1yr) which is defined and approved by the Management Board.

The following table presents a maturity analysis of our total assets based on carrying value and upon earliest legally exercisable maturity as of December 31, 2012.
Maturity analysis of the earliest contractual maturity of assets

<table>
<thead>
<tr>
<th>in € m.</th>
<th>On demand to no more than 3 months</th>
<th>Over 3 months but no more than 1 year</th>
<th>Sub-total less than 1 year</th>
<th>Over 1 year but not more than 2 years</th>
<th>Over 2 years but no more than 5 years</th>
<th>Over 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits with banks</td>
<td>136,491</td>
<td>8,726</td>
<td>1,955</td>
<td>147,173</td>
<td>22</td>
<td>65</td>
<td>173</td>
</tr>
<tr>
<td>Central bank funds sold</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Securities purchased under resale agreements</td>
<td>5,333</td>
<td>21,735</td>
<td>9,382</td>
<td>36,450</td>
<td>27</td>
<td>93</td>
<td>–</td>
</tr>
<tr>
<td>with banks</td>
<td>1,979</td>
<td>17,802</td>
<td>8,977</td>
<td>28,757</td>
<td>–</td>
<td>93</td>
<td>–</td>
</tr>
<tr>
<td>with customers</td>
<td>3,355</td>
<td>3,933</td>
<td>405</td>
<td>7,693</td>
<td>27</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Retail</td>
<td>19</td>
<td>–</td>
<td>18</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Corporates and other customers</td>
<td>3,337</td>
<td>3,933</td>
<td>405</td>
<td>7,675</td>
<td>27</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>23,740</td>
<td>111</td>
<td>–</td>
<td>23,851</td>
<td>96</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>with banks</td>
<td>2,760</td>
<td>39</td>
<td>–</td>
<td>2,800</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>with customers</td>
<td>20,980</td>
<td>71</td>
<td>–</td>
<td>21,051</td>
<td>96</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Retail</td>
<td>0</td>
<td>0</td>
<td>–</td>
<td>0</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Corporates and other customers</td>
<td>20,980</td>
<td>71</td>
<td>–</td>
<td>21,051</td>
<td>96</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>1,032,422</td>
<td>125,654</td>
<td>13,202</td>
<td>1,171,279</td>
<td>4,831</td>
<td>10,227</td>
<td>14,545</td>
</tr>
<tr>
<td>Trading assets</td>
<td>245,538</td>
<td>–</td>
<td>–</td>
<td>245,538</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Fixed-income securities and loans</td>
<td>171,106</td>
<td>–</td>
<td>–</td>
<td>171,106</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Equities and other variable-income securities</td>
<td>65,457</td>
<td>–</td>
<td>–</td>
<td>65,457</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other trading assets</td>
<td>8,975</td>
<td>–</td>
<td>–</td>
<td>8,975</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Positive market values from derivative financial instruments</td>
<td>768,315</td>
<td>–</td>
<td>–</td>
<td>768,315</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Financial assets designated at fair value through profit or loss</td>
<td>18,569</td>
<td>125,654</td>
<td>13,202</td>
<td>157,425</td>
<td>4,831</td>
<td>10,227</td>
<td>14,545</td>
</tr>
<tr>
<td>Securities purchased under resale agreements</td>
<td>10,256</td>
<td>107,589</td>
<td>5,798</td>
<td>123,643</td>
<td>880</td>
<td>339</td>
<td>126</td>
</tr>
<tr>
<td>Securities borrowed</td>
<td>8,166</td>
<td>15,373</td>
<td>4,765</td>
<td>28,304</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Fixed-income securities and loans</td>
<td>146</td>
<td>2,687</td>
<td>1,363</td>
<td>4,196</td>
<td>2,890</td>
<td>6,665</td>
<td>9,418</td>
</tr>
<tr>
<td>Equities and other variable-income securities</td>
<td>–</td>
<td>–</td>
<td>22</td>
<td>22</td>
<td>1,013</td>
<td>2,978</td>
<td>4,906</td>
</tr>
<tr>
<td>Other financial assets designated at fair value through profit or loss</td>
<td>–</td>
<td>5</td>
<td>1,255</td>
<td>1,261</td>
<td>47</td>
<td>245</td>
<td>95</td>
</tr>
<tr>
<td>Positive market values from derivative financial instruments qualifying for hedge accounting</td>
<td>–</td>
<td>58</td>
<td>233</td>
<td>291</td>
<td>285</td>
<td>2,201</td>
<td>5,594</td>
</tr>
<tr>
<td>Financial assets available for sale</td>
<td>6</td>
<td>5,404</td>
<td>3,859</td>
<td>9,269</td>
<td>4,491</td>
<td>16,891</td>
<td>18,729</td>
</tr>
<tr>
<td>Fixed-income securities and loans</td>
<td>6</td>
<td>5,404</td>
<td>3,859</td>
<td>9,269</td>
<td>3,501</td>
<td>16,885</td>
<td>17,453</td>
</tr>
<tr>
<td>Equities and other variable-income securities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>990</td>
<td>5</td>
<td>1,275</td>
</tr>
<tr>
<td>Loans</td>
<td>29,414</td>
<td>58,129</td>
<td>37,940</td>
<td>125,483</td>
<td>26,769</td>
<td>64,749</td>
<td>180,277</td>
</tr>
<tr>
<td>to banks</td>
<td>1,996</td>
<td>6,968</td>
<td>6,205</td>
<td>15,169</td>
<td>2,957</td>
<td>6,755</td>
<td>2,239</td>
</tr>
<tr>
<td>to customers</td>
<td>27,419</td>
<td>51,161</td>
<td>31,735</td>
<td>110,314</td>
<td>23,813</td>
<td>57,994</td>
<td>178,038</td>
</tr>
<tr>
<td>Retail</td>
<td>5,194</td>
<td>12,688</td>
<td>8,075</td>
<td>25,957</td>
<td>7,396</td>
<td>19,603</td>
<td>129,379</td>
</tr>
<tr>
<td>Corporates and other customers</td>
<td>22,224</td>
<td>38,473</td>
<td>23,660</td>
<td>84,357</td>
<td>16,417</td>
<td>38,391</td>
<td>48,659</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>100,815</td>
<td>751</td>
<td>321</td>
<td>101,887</td>
<td>2,619</td>
<td>162</td>
<td>1,365</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>1,328,222</td>
<td>220,567</td>
<td>69,893</td>
<td>1,615,682</td>
<td>39,141</td>
<td>94,387</td>
<td>220,682</td>
</tr>
<tr>
<td>Other assets</td>
<td>20,471</td>
<td>–</td>
<td>–</td>
<td>20,471</td>
<td>329</td>
<td>727</td>
<td>20,910</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,348,693</td>
<td>220,567</td>
<td>69,893</td>
<td>1,636,153</td>
<td>39,469</td>
<td>95,114</td>
<td>241,593</td>
</tr>
</tbody>
</table>

The following table presents a maturity analysis of our financial liabilities, off-balance sheet loan commitments and financial guarantees based upon an undiscounted cash flow analysis detailing the earliest contractual maturity or first call for all financial liabilities as of December 31, 2012, and 2011.
## Maturity Analysis of the earliest contractual undiscounted cash flows of Financial Liabilities

### Dec 31, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>On demand</th>
<th>Due within 3 months</th>
<th>Due between 3 and 12 months</th>
<th>Due between 1 and 5 years</th>
<th>Due after 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noninterest bearing deposits</td>
<td>143,920</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest bearing deposits</td>
<td>138,607</td>
<td>234,048</td>
<td>35,496</td>
<td>19,035</td>
<td>16,005</td>
</tr>
<tr>
<td>Trading liabilities</td>
<td>54,914</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Negative market values from derivative financial instruments</td>
<td>752,706</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial liabilities designated at fair value through profit or loss</td>
<td>56,277</td>
<td>79,238</td>
<td>6,741</td>
<td>4,864</td>
<td>5,309</td>
</tr>
<tr>
<td>Investment contract liabilities</td>
<td>-</td>
<td>53</td>
<td>788</td>
<td>1,225</td>
<td>5,666</td>
</tr>
<tr>
<td>Negative market values from derivative financial instruments qualifying for hedge accounting</td>
<td>89</td>
<td>123</td>
<td>92</td>
<td>178</td>
<td>3,192</td>
</tr>
<tr>
<td>Central bank funds purchased</td>
<td>2,585</td>
<td>631</td>
<td>252</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>22,950</td>
<td>8,796</td>
<td>1,230</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Securities loaned</td>
<td>3,110</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>33</td>
</tr>
<tr>
<td>Other short-term borrowings</td>
<td>18,611</td>
<td>41,761</td>
<td>8,775</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>857</td>
<td>15,157</td>
<td>27,188</td>
<td>73,950</td>
<td>59,841</td>
</tr>
<tr>
<td>Trust preferred securities</td>
<td>-</td>
<td>2,956</td>
<td>2,410</td>
<td>5,522</td>
<td>3,818</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>132,620</td>
<td>4,262</td>
<td>235</td>
<td>584</td>
<td>114</td>
</tr>
<tr>
<td>Off-balance sheet loan commitments</td>
<td>94,006</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial guarantees</td>
<td>4,470</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>1,423,723</td>
<td>387,065</td>
<td>83,207</td>
<td>105,358</td>
<td>93,978</td>
</tr>
</tbody>
</table>

1. Trading liabilities and derivatives not qualifying for hedge accounting balances are recorded at fair value. We believe 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 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 39 “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 our balance sheet as the cash flows included in the table are undiscounted. This analysis represents the worst case scenario for us if we were required to repay all liabilities earlier than expected. We believe that the likelihood of such an event occurring is remote.
Capital Management

Our Treasury function manages our capital at Group level and locally in each region. The allocation of financial resources, in general, and capital, in particular, favors business portfolios with the highest positive impact on our profitability and shareholder value. As a result, Treasury periodically reallocates capital among business portfolios.

Treasury implements our capital strategy, which itself is developed by the Capital and Risk Committee and approved by the Management Board, including the issuance and repurchase of shares. We are committed to maintain our sound capitalization. Overall capital demand and supply are constantly monitored and adjusted, if necessary, to meet the need for capital from various perspectives. These include book equity based on IFRS accounting standards, regulatory capital and economic capital as well as specific capital requirements of rating agencies.

Regional capital plans covering the capital needs of our branches and subsidiaries 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. Local Asset and Liability Committees attend to those needs under the stewardship of regional Treasury teams. Local Asset and Liability Committees further safeguard compliance with requirements such as restrictions on dividends allowable for remittance to Deutsche Bank AG or on the ability of our subsidiaries to make loans or advances to the parent bank. In developing, implementing and testing our capital and liquidity, we take such legal and regulatory requirements into account.

Our core currencies are euro, U.S. 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 non-core currencies is largely hedged against foreign exchange swings, except for the Chinese yuan that we currently do not hedge. Treasury determines which currencies are to be hedged, develops suitable hedging strategies and finally executes these hedges.

Treasury is represented on the Investment Committee of the largest Deutsche Bank pension fund which sets the investment guidelines. This representation ensures that pension assets are aligned with pension liabilities, thus protecting our capital base.

Treasury constantly monitors the market for liability management trades. Such trades represent an anticyclical opportunity to create Common Equity Tier 1 capital by buying back our issuances below par.

Since the first quarter 2012, we used a changed methodology for allocating average active equity to the business segments and to Consolidation & Adjustments. The total amount allocated continues to be determined based on the higher of our overall economic risk exposure or regulatory capital demand. However, to reflect the further increased regulatory requirements under Basel 3, the internal demand for regulatory capital was derived by assuming a Common Equity Tier 1 ratio of 9.0 % (previously, this was calculated based on a Tier 1 capital ratio of 10 %). As a result, the amount of capital allocated to the segments has increased. From 2013 onwards, it is envisaged that the internal demand for regulatory capital will be derived based on a Common Equity Tier 1 ratio of 10 % at a Group level and assuming full implementation of Basel 3 rules, to further align the allocation of capital with our communicated capital and return on equity targets.
During the period from the 2011 Annual General Meeting (May 26, 2011) until the 2012 Annual General Meeting (May 31, 2012), we repurchased 42.3 million of our common shares, thereof none via derivatives. 38.9 million of the shares repurchased were used for equity compensation purposes and 3.4 million shares were used to increase our Treasury position for future equity compensation. We repurchased 14.9 million shares from January 1, 2012 until May 31, 2012, none of which via derivatives. In addition, we purchased 13.9 million physically settled call options in 2012 to hedge existing equity compensation awards, of which 10.6 million call options had an initial maturity of more than 18 months. As of the 2012 Annual General Meeting, the number of shares held in Treasury from buybacks totaled 10.9 million.

The 2012 Annual General Meeting granted our management board the authority to buy back up to 92.9 million shares before November 30, 2016. Thereof 46.5 million shares can be purchased by using derivatives. These authorizations replaced the authorizations of the 2011 Annual General Meeting. During the period from the 2012 Annual General Meeting until December 31, 2012, a total of 2.5 million shares were purchased, thereof none via derivatives. In the same period 13.4 million shares were used for equity compensation purposes. The number of shares held in Treasury from buybacks was less than 1 million as of December 31, 2012.

The 2012 Annual General Meeting further granted our Management Board the authority to create conditional capital by issuing 90 million shares with a face value of € 230.4 million within the next five years. The total face value of available conditional capital amounts to € 691.2 million (270 million shares). In addition, the authorized capital available to the Management Board has a total face value of € 1.2 billion (450 million shares).

Total outstanding hybrid Tier 1 capital (substantially all noncumulative trust preferred securities) as of December 31, 2012, amounted to € 12.5 billion compared to € 12.7 billion as of December 31, 2011. This decrease was mainly due to the foreign exchange effects of the weaker U.S. dollar on the U.S. dollar denominated hybrid Tier 1 capital. In 2012, we neither raised nor redeemed any hybrid Tier 1 capital.

In 2012, we did not issue any lower Tier 2 capital (qualified subordinated liabilities). Profit participation rights amounted to € 1.1 billion as of December 31, 2012, compared to € 1.2 billion as of December 31, 2011. Total lower Tier 2 capital as of December 31, 2012, amounted to € 8.0 billion compared to € 9.4 billion as of December 31, 2011. Cumulative preferred securities amounted to € 0.3 billion as of December 31, 2012, unchanged from December 31, 2011.

Capital management at Postbank has been integrated into our group-wide capital management process.

**Capital Adequacy**

Since 2008, we have calculated and published consolidated capital ratios for the Deutsche Bank group of institutions pursuant to the Banking Act and the Solvency Regulation (“Solvabilitätsverordnung”), which implemented the revised capital framework of the Basel Committee from 2004 (“Basel 2”) into German law. Starting with December 31, 2011, the calculation of our capital ratios incorporates the amended capital requirements for trading book and securitization positions pursuant to the “Basel 2.5” framework, as implemented by the Capital Requirements Directive 3 and transposed into German law by the German Banking Act and the Solvency Regulation, representing the legal basis for our capital adequacy calculations also as of December 31, 2012.
Although the pending Capital Requirements Directive 4 ("CRD 4") legislation and the related Regulation on prudent requirements for credit institutions and investment firms ("Capital Requirements Regulation", short "CRR"), implementing the “Basel 3” framework into European law, have not yet entered into force, we make use of the terms from the Basel 3 framework in the following section and tables on capital adequacy and regulatory capital. Nevertheless the numbers disclosed are still based on the Basel 2.5 framework. This section refers to the capital adequacy of the group of institutions consolidated for banking regulatory purposes that does not include insurance companies or companies outside the finance sector. Our insurance companies are included in an additional capital adequacy (also “solvency margin”) calculation under the Solvency Regulation for Financial Conglomerates. Our solvency margin as a financial conglomerate remains dominated by our banking activities.

In light of the regulations given above the following information are based on the regulatory principles of consolidation.

The Total regulatory capital pursuant to the effective regulations as of year-end 2012 consists of Tier 1, Tier 2 and Tier 3 capital. Tier 3 capital will no longer be allowed under the coming Basel 3 based regulations. Tier 1 capital consists of Common Equity Tier 1 capital (formerly referred to as Core Tier 1 capital) and Additional Tier 1 capital. Common Equity Tier 1 capital consists primarily of common share capital including related share premium accounts, retained earnings and other comprehensive income, adjusted by deduction of goodwill and other intangible assets. Other regulatory adjustments entail the exclusion of capital from entities outside the group of institutions and the reversal of capital effects under the fair value option on financial liabilities due to own credit risk.

The following items must be deducted (according to Basel 2.5, half from Tier 1 and half from Tier 2 capital): investments in unconsolidated banking, financial and insurance entities where a bank holds more than 10 % of the capital (in case of insurance entities at least 20 % either of the capital or of the voting rights unless included in the solvency margin calculation of the financial conglomerate), the amount by which the expected loss for exposures to central governments, institutions and corporate and retail clients as measured under the bank’s internal ratings based approach ("IRBA") model exceeds the value adjustments and provisions for such exposures, the expected losses for certain equity exposures, securitization positions not included in the risk-weighted assets and the value of securities delivered to a counterparty plus any replacement cost to the extent the required payments by the counterparty have not been made within five business days after delivery provided the transaction has been allocated to the bank’s trading book.

Additional Tier 1 capital consists of hybrid capital components such as noncumulative trust preferred securities. Hybrid capital components that are not compliant with the coming Basel 3 requirements for such instruments will be progressively phased out in their consideration for Additional Tier 1 capital under the coming Basel 3-based regulations.

Tier 2 capital primarily comprises cumulative trust preferred securities, certain profit participation rights and long-term subordinated debt, as well as 45 % of unrealized gains on certain listed securities. The amount of long-term subordinated debt that may be included as Tier 2 capital is limited to 50 % of Tier 1 capital. Total Tier 2 capital is limited to 100 % of Tier 1 capital.

The following table presents the Tier 1- and Tier 2- components of our Total regulatory capital (no Tier 3 capital is included in our regulatory capital base) as well as our risk-weighted assets (comprising credit risk-, market risk- and operational risk-exposure) and the respective capital ratios, excluding transitional items pursuant to section 64h (3) German Banking Act:
## Regulatory Capital, RWA and Capital Ratios

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Common Equity Tier 1 capital: instruments and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital instruments and the related share premium accounts</td>
<td>26,098</td>
<td>25,252</td>
</tr>
<tr>
<td>Retained earnings (excluding interim profits)</td>
<td>28,961</td>
<td>25,987</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>(1,293)</td>
<td>(1,981)</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>124</td>
<td>999</td>
</tr>
<tr>
<td>Independently reviewed interim profits net of any foreseeable charge or dividend</td>
<td>(460)</td>
<td>3,435</td>
</tr>
<tr>
<td><strong>Common Equity Tier 1 capital before regulatory adjustments</strong></td>
<td>53,430</td>
<td>53,692</td>
</tr>
<tr>
<td><strong>Common Equity Tier 1 capital: regulatory adjustments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets (net of related tax liability)</td>
<td>(11,579)</td>
<td>(12,909)</td>
</tr>
<tr>
<td>Negative amounts resulting from the calculation of expected loss amounts</td>
<td>(440)</td>
<td>–</td>
</tr>
<tr>
<td>Gains or losses on liabilities designated at fair value resulting from changes in own credit standing</td>
<td>(2)</td>
<td>(128)</td>
</tr>
<tr>
<td>Direct holdings by an institution of own Common Equity Tier 1 capital instruments(^1)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Direct holdings by the institution of the Common Equity Tier 1 capital instruments of relevant entities where the institution has a significant investment in those entities</td>
<td>(1,493)</td>
<td>(1,332)</td>
</tr>
<tr>
<td>Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which: securitization positions</td>
<td>(953)</td>
<td>(3,372)</td>
</tr>
<tr>
<td>of which: free deliveries</td>
<td>(953)</td>
<td>(2,863)</td>
</tr>
<tr>
<td>Other, including consolidation and regulatory adjustments</td>
<td>(748)</td>
<td>(886)</td>
</tr>
<tr>
<td>Regulatory adjustments relating to unrealized gains and losses</td>
<td>(259)</td>
<td>847</td>
</tr>
<tr>
<td>Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total regulatory adjustments to Common Equity Tier 1 capital</strong></td>
<td>(15,473)</td>
<td>(17,379)</td>
</tr>
<tr>
<td><strong>Common Equity Tier 1 capital</strong></td>
<td>37,957</td>
<td>36,313</td>
</tr>
<tr>
<td><strong>Additional Tier 1 capital: instruments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital instruments and the related share premium accounts</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Additional Tier 1 capital before regulatory adjustments</strong></td>
<td>13,025</td>
<td>12,734</td>
</tr>
<tr>
<td><strong>Additional Tier 1 capital: regulatory adjustments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct holdings by an institution of own Additional Tier 1 capital instruments</td>
<td>(499)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Additional Tier 1 capital</strong></td>
<td>12,526</td>
<td>12,734</td>
</tr>
<tr>
<td><strong>Tier 1 capital(^2)</strong></td>
<td>50,483</td>
<td>49,047</td>
</tr>
<tr>
<td><strong>Tier 2 capital: instruments and provisions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital instruments and the related share premium accounts</td>
<td>11,852</td>
<td>10,883</td>
</tr>
<tr>
<td><strong>Tier 2 capital before regulatory adjustments</strong></td>
<td>11,852</td>
<td>10,883</td>
</tr>
<tr>
<td><strong>Tier 2 capital: regulatory adjustments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct holdings by an institution of own Tier 2 capital instruments and subordinated loans</td>
<td>(152)</td>
<td>–</td>
</tr>
<tr>
<td>Amortization</td>
<td>(2,283)</td>
<td>–</td>
</tr>
<tr>
<td>Items to be partly deducted from Tier 2 capital pursuant to Section 10 (6) and (6a) KWG</td>
<td>(2,885)</td>
<td>(4,703)</td>
</tr>
<tr>
<td><strong>Tier 2 capital</strong></td>
<td>6,532</td>
<td>6,179</td>
</tr>
<tr>
<td><strong>Total Regulatory capital</strong></td>
<td>57,015</td>
<td>55,226</td>
</tr>
<tr>
<td><strong>Total risk-weighted assets</strong></td>
<td>333,605</td>
<td>381,246</td>
</tr>
<tr>
<td>Credit risk</td>
<td>228,952</td>
<td>262,460</td>
</tr>
<tr>
<td>Market risk</td>
<td>53,958</td>
<td>68,091</td>
</tr>
<tr>
<td>Operational risk</td>
<td>51,595</td>
<td>50,695</td>
</tr>
<tr>
<td><strong>Capital ratios and buffers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Equity Tier 1 capital (as a percentage of risk-weighted assets)</td>
<td>11.4</td>
<td>9.5</td>
</tr>
<tr>
<td>Tier 1 capital (as a percentage of risk-weighted assets)</td>
<td>15.1</td>
<td>12.9</td>
</tr>
<tr>
<td>Total Regulatory capital (as a percentage of risk-weighted assets)</td>
<td>17.1</td>
<td>14.5</td>
</tr>
</tbody>
</table>

\(^1\) Excludes Holdings that are already considered in the accounting base of Common Equity.

\(^2\) Included € 20 million silent participation as of December 31, 2012 and December 31, 2011.

The following table details the main changes in our Common Equity Tier 1 (formerly: Core Tier 1) capital, Additional Tier 1 and Tier 2 capital from the beginning to the end of the years 2012 and 2011:
## Development of regulatory capital

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Equity Tier 1 Capital</td>
<td>37,957</td>
<td>36,313</td>
</tr>
<tr>
<td>Opening amount</td>
<td>36,313</td>
<td>29,972</td>
</tr>
<tr>
<td>Common shares, net effect/(+) issued (–) retirement</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>83</td>
<td>181</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(232)</td>
<td>4,834</td>
</tr>
<tr>
<td>Therein: Actuarial gains (losses) rel. to defined benefit plans, net of tax/CTA</td>
<td>(452)</td>
<td>666</td>
</tr>
<tr>
<td>Therein: Net income attributable to Deutsche Bank Shareholders</td>
<td>237</td>
<td>4,132</td>
</tr>
<tr>
<td>Common shares in treasury, net effect/(+) sales (–) purchase</td>
<td>763</td>
<td>(373)</td>
</tr>
<tr>
<td>Movements in accumulated other comprehensive income</td>
<td>(423)</td>
<td>1,166</td>
</tr>
<tr>
<td>Foreign currency translation, net of tax</td>
<td>(423)</td>
<td>1,166</td>
</tr>
<tr>
<td>Dividend accrual</td>
<td>(697)</td>
<td>(697)</td>
</tr>
<tr>
<td>Removal of gains/losses resulting from changes in own credit standing in liabilities designated at fair value (net of tax)</td>
<td>126</td>
<td>(76)</td>
</tr>
<tr>
<td>Goodwill and other intangible assets (deduction net of related tax liability)</td>
<td>1,330</td>
<td>(518)</td>
</tr>
<tr>
<td>Noncontrolling interest</td>
<td>(875)</td>
<td>72</td>
</tr>
<tr>
<td>Deductible investments in banking, financial and insurance entities</td>
<td>(161)</td>
<td>(381)</td>
</tr>
<tr>
<td>Securitization positions not included in risk-weighted assets</td>
<td>1,911</td>
<td>1,987</td>
</tr>
<tr>
<td>Excess of expected losses over risk provisions</td>
<td>69</td>
<td>(81)</td>
</tr>
<tr>
<td>Other, including regulatory adjustments</td>
<td>(260)</td>
<td>227</td>
</tr>
<tr>
<td>Closing amount</td>
<td>37,957</td>
<td>36,313</td>
</tr>
<tr>
<td>Additional Tier 1 Capital</td>
<td>12,526</td>
<td>12,734</td>
</tr>
<tr>
<td>Opening amount</td>
<td>12,734</td>
<td>12,593</td>
</tr>
<tr>
<td>New Additional Tier 1 eligible capital issues</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Buybacks</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other, including regulatory adjustments</td>
<td>(208)</td>
<td>141</td>
</tr>
<tr>
<td>Closing amount</td>
<td>12,526</td>
<td>12,734</td>
</tr>
<tr>
<td>Tier 1 capital</td>
<td>50,483</td>
<td>49,047</td>
</tr>
<tr>
<td>Tier 2 capital:</td>
<td>6,532</td>
<td>6,179</td>
</tr>
<tr>
<td>Opening amount</td>
<td>6,179</td>
<td>6,123</td>
</tr>
<tr>
<td>New Tier 2 eligible capital issues</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Buybacks</td>
<td>(179)</td>
<td>(251)</td>
</tr>
<tr>
<td>Amortization</td>
<td>(1,071)</td>
<td>(747)</td>
</tr>
<tr>
<td>Other, including regulatory adjustments</td>
<td>1,603</td>
<td>1,054</td>
</tr>
<tr>
<td>Closing amount</td>
<td>6,532</td>
<td>6,179</td>
</tr>
<tr>
<td>Total Regulatory capital</td>
<td>57,015</td>
<td>55,226</td>
</tr>
</tbody>
</table>

The increase of € 1.6 billion in Common Equity Tier 1 capital in the year 2012 was primarily the result of a € 1.9 billion reduction of the capital deduction item for securitization positions not included in risk-weighted assets. Another positive impact of € 0.8 billion resulted from the reduced position of Common shares in treasury, partially offset by a negative impact of € 0.4 billion from foreign currency translation. The positive change of € 1.3 billion shown under the deduction-item “Goodwill and other intangible assets” is primarily the result of Common Equity Tier 1 capital-neutral impairments in the fourth quarter of 2012 which are offset by corresponding effects in our Retained earnings.

Common shares consist of Deutsche Bank AG’s 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. As of December 31, 2012, 929,499,640 shares were issued and fully paid, of which we held 315,742 shares, leaving 929,183,898 shares outstanding. There are no issued ordinary shares that have not been fully paid. Related share premium is included in additional paid-in capital.
The following two tables present specific disclosures in relation to Pillar 3. Per regulation it is not required to audit Pillar 3 disclosures.

### Terms and Conditions of outstanding Additional Tier 1 Capital Instruments (unaudited)

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Amount in m.</th>
<th>Currency</th>
<th>Interest payment obligations</th>
<th>Termination right of Issuer</th>
<th>Step-up clauses or other early redemption-incentives</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB Capital Trust I</td>
<td>318</td>
<td>USD</td>
<td>Until March 30, 2009: 3-Month LIBOR plus 1.7 %</td>
<td>Since March 30, 2009 and on March 30 of each fifth year thereafter with period of 90 days.</td>
<td>yes, see interest payment obligations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From March 30, 2009: 5-Year U.S. Dollar Swap Rate plus 2.7 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DB Capital Trust II</td>
<td>20,000</td>
<td>JPY</td>
<td>Until April 27, 2029: 5.2 % p.a.</td>
<td>At the earliest April 27, 2029 with period of 90 days.</td>
<td>yes, see interest payment obligations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From April 27, 2029: 5-Year Japanese Yen Swap Rate plus 1.62 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DB Capital Trust III</td>
<td>113</td>
<td>USD</td>
<td>Until June 30, 2014: 3-Month LIBOR plus 1.9 %</td>
<td>At the earliest June 30, 2014 with period of 90 days.</td>
<td>yes, see interest payment obligations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From June 30, 2014: 5-Year U.S. Dollar Swap Rate plus 2.9 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DB Capital Trust IV</td>
<td>153</td>
<td>USD</td>
<td>Until June 30, 2011: 3-Month LIBOR plus 1.8 %</td>
<td>Since June 30, 2011: on June 30 of each fifth year thereafter with period of 90 days.</td>
<td>yes, see interest payment obligations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From June 30, 2011: 5-Year U.S. Dollar Swap Rate plus 2.8 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DB Capital Funding Trust I</td>
<td>625</td>
<td>USD</td>
<td>Until June 30, 2009: 7.872 % p.a.</td>
<td>Since June 30, 2009: every 3 months thereafter with period of 30 days.</td>
<td>yes, see interest payment obligations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From June 30, 2009: 3-Month LIBOR plus 2.97 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DB Capital Funding Trust IV</td>
<td>1,000</td>
<td>EUR</td>
<td>Until September 19, 2013: 5.53 % p.a.</td>
<td>At the earliest September 19, 2013 with period of 30 days.</td>
<td>yes, see interest payment obligations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From September 19, 2013: 3-Month EURIBOR plus 1.99 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DB Capital Funding Trust V</td>
<td>300</td>
<td>EUR</td>
<td>6.15 % p.a.</td>
<td>Since December 2, 2009: every 3 months thereafter with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Capital Funding Trust VI</td>
<td>900</td>
<td>EUR</td>
<td>Until January 28, 2010: 6 % p.a.</td>
<td>Since January 28, 2010: on January 28 of each year thereafter with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Capital Funding Trust VII</td>
<td>800</td>
<td>USD</td>
<td>Until January 19, 2016: 5.628 % p.a.</td>
<td>At the earliest January 19, 2016 with period of 30 days.</td>
<td>yes, see interest payment obligations</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From January 19, 2016: 5.628 % p.a. plus 100 bps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DB Capital Funding Trust VIII</td>
<td>600</td>
<td>USD</td>
<td>6.375 % p.a.</td>
<td>Since October 18, 2011: every 3 months thereafter with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Capital Funding Trust IX</td>
<td>1,150</td>
<td>USD</td>
<td>6.625 % p.a.</td>
<td>Since August 20, 2012 with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Capital Funding Trust X</td>
<td>805</td>
<td>USD</td>
<td>7.350 % p.a.</td>
<td>Since December 15, 2012 with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Capital Funding Trust XI</td>
<td>1,300</td>
<td>EUR</td>
<td>9.5 % p.a.</td>
<td>At the earliest March 31, 2015 with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Contingent Capital Trust II</td>
<td>800</td>
<td>USD</td>
<td>6.55 % p.a.</td>
<td>At the earliest May 23, 2017 with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Contingent Capital Trust III</td>
<td>1,975</td>
<td>USD</td>
<td>7.6 % p.a.</td>
<td>At the earliest February 20, 2018 with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Contingent Capital Trust IV</td>
<td>1,000</td>
<td>EUR</td>
<td>8.0 % p.a.</td>
<td>At the earliest May 15, 2018 with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>DB Contingent Capital Trust V</td>
<td>1,385</td>
<td>USD</td>
<td>8.05 % p.a.</td>
<td>At the earliest June 30, 2018 with period of 30 days.</td>
<td>none</td>
</tr>
<tr>
<td>Deutsche Postbank Funding Trust I</td>
<td>300</td>
<td>EUR</td>
<td>Until December 2, 2005: 6 % p.a.</td>
<td>Since December 2, 2005: 10-Year EUR Swap Rate plus 0.025 %, max. 8 %</td>
<td>none</td>
</tr>
<tr>
<td>Issuer</td>
<td>Amount in m.</td>
<td>Currency</td>
<td>Interest payment obligations</td>
<td>Termination right of Issuer</td>
<td>Step-up clauses or other early redemption-incentives</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------</td>
<td>----------</td>
<td>----------------------------------------------------------------------------------------------</td>
<td>-------------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td>Deutsche Postbank Funding Trust II</td>
<td>500</td>
<td>EUR</td>
<td>• Until December 23, 2009: 6 % p.a. From December 23, 2009: Four times difference between 10-Year and 2-Year CMS-Rate, with min. CMS-Rate 3.75 % and max. CMS-Rate 10 %</td>
<td>Since December 23, 2009 at each subsequent coupon date.</td>
<td>none</td>
</tr>
<tr>
<td>Deutsche Postbank Funding Trust III</td>
<td>300</td>
<td>EUR</td>
<td>• Until June 7, 2008: 7 % p.a. From June 7, 2008: 10-Year EUR Swap Rate plus 0.125 %, max. 8 %</td>
<td>Since June 7, 2011 at each subsequent coupon date.</td>
<td>none</td>
</tr>
<tr>
<td>Deutsche Postbank Funding Trust IV</td>
<td>500</td>
<td>EUR</td>
<td>• Until June 29, 2017: 5.983 % p.a. From June 29, 2017: 3-Month EURIBOR plus 2.07 %</td>
<td>At the earliest June 29, 2017 at each subsequent coupon date.</td>
<td>yes, see interest payment obligations</td>
</tr>
<tr>
<td>Deutsche Postbank AG – silent participation</td>
<td>10</td>
<td>EUR</td>
<td>• 8.15 % p.a.</td>
<td>Fixed maturity December 31, 2018</td>
<td>none</td>
</tr>
<tr>
<td>Deutsche Postbank AG – silent participation</td>
<td>10</td>
<td>EUR</td>
<td>• 8.15 % p.a.</td>
<td>Fixed maturity December 31, 2018</td>
<td>none</td>
</tr>
</tbody>
</table>

Of the € 12.5 billion Additional Tier 1 capital € 8.8 billion have no step-up clauses or other early redemption-incentives. No instrument has the option to be converted into ordinary shares. All Additional Tier 1 capital instruments qualify as Tier 1 capital according to Section 64m (1) KWG. In the event of the initiation of insolvency proceedings or of liquidation, they will not be repaid until all creditors have been satisfied.

Our Tier 2 capital instruments qualify as regulatory capital according to Section 10 (5) and (5a) KWG, except for the profit participation rights issued by Deutsche Postbank AG which all were issued before December 31, 2010 and qualify as Tier 2 capital according to Section 64m (1) KWG. Accordingly, all Tier 2 capital instruments have a minimum original maturity of 5 years. The majority of the volume of our Tier 2 instruments, however, has an original maturity of 10 years or more and call rights for the issuer after 5 years or more. In the last two years before the maturity of an instrument only 40 % of the paid-in capital qualifies as regulatory capital.
The several hundred individual Tier 2 capital instruments can be clustered as follows:

**Terms and Conditions of the outstanding Tier 2 Capital Instruments (unaudited)**

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Maturity (year)</th>
<th>Notional in € m.</th>
<th>Currency</th>
<th>Type of Tier 2 capital instrument</th>
<th>Early redemption-option</th>
<th>Interest payment obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deutsche Bank Capital Finance Trust I</td>
<td>perpetual</td>
<td>300</td>
<td>EUR</td>
<td>Cumulative Trust preferred securities</td>
<td>At the earliest on June 27, 2015 and thereafter on each yearly coupon-payment date (June 27) with period of 30 days.</td>
<td></td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2014</td>
<td>100</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>6.00 % (fix) – 6.26 % (fix)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2015</td>
<td>197</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>5.13 % (fix) – 5.65 % (fix)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2016</td>
<td>676</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>4.40 % (fix) – 4.72 % (fix)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2017</td>
<td>21</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>5.12 % (fix)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2018</td>
<td>91</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>5.14 % (fix) – 5.53 % (fix)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2020</td>
<td>14</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>5.10 % (fix)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2021</td>
<td>24</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>4.53 % (fix) – 4.73 % (fix)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2023</td>
<td>10</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>5.50 % (fix)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2027</td>
<td>20</td>
<td>EUR</td>
<td>Profit Participation Rights</td>
<td>No</td>
<td>5.25 % (fix)</td>
</tr>
<tr>
<td>Bankers Trust Corporation - New York</td>
<td>2015</td>
<td>141</td>
<td>USD</td>
<td>Subordinated Liabilities</td>
<td>No</td>
<td>7.50 % (fix)</td>
</tr>
<tr>
<td>BHF-BANK AG</td>
<td>2015</td>
<td>50</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>No</td>
<td>4.46 % (fix)</td>
</tr>
<tr>
<td>BHF-BANK AG</td>
<td>2019</td>
<td>50</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>No</td>
<td>4.80 % (fix)</td>
</tr>
<tr>
<td>BHF-BANK AG</td>
<td>2020</td>
<td>57</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>4.59 % (fix) – 4.83 % (fix)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2013</td>
<td>1,175</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>4.75 % (fix)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2013</td>
<td>6,000</td>
<td>JPY</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.10 % (fix) – 5.98 % (fix)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2014</td>
<td>245</td>
<td>AUD</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>1.07 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2014</td>
<td>1,081</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2009 at each coupon-date</td>
<td>5.38 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2014</td>
<td>3,000</td>
<td>JPY</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2009 at each coupon-date</td>
<td>1.09 % (var.) – 4.16 % (fix)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2014</td>
<td>214</td>
<td>NZD</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2010 at each coupon-date</td>
<td>3.56 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2015</td>
<td>710</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2010 at each coupon-date</td>
<td>0.88 % (var.) – 1.02 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2015</td>
<td>190</td>
<td>GBP</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2010 at each coupon-date</td>
<td>1.41 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2015</td>
<td>335</td>
<td>USD</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2010 at each coupon-date</td>
<td>1.11 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2016</td>
<td>220</td>
<td>CAD</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2011</td>
<td>2.03 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2016</td>
<td>442</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2011</td>
<td>0.98 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2017</td>
<td>509</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>489 mn.: Early redemption at the issuer’s option since 2012</td>
<td>0.95 % (var.) – 5.82 % (fix)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2018</td>
<td>100</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>10 mn.: Early redemption at the issuer’s option in 2013</td>
<td>5.50 % (fix) – 6.50 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2019</td>
<td>249</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>238 mn.: Early redemption at the issuer’s option in 2014</td>
<td>5.00 % (fix) – 6.00 % (fix)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2020</td>
<td>1,235</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>85 mn.: Early redemption at the issuer’s option in 2015</td>
<td>4.00 % (var.) – 5.50 % (fix)</td>
</tr>
<tr>
<td>Issuer</td>
<td>Maturity (year)</td>
<td>Notional in € m.</td>
<td>Currency</td>
<td>Type of Tier 2 capital instrument</td>
<td>Early redemption-option</td>
<td>Interest payment obligations</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-----------------</td>
<td>------------------</td>
<td>----------</td>
<td>------------------------------------</td>
<td>-------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2024</td>
<td>20</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.10 % (fx)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2033</td>
<td>5</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option in 2013</td>
<td>6.30 % (fx)</td>
</tr>
<tr>
<td>Deutsche Bank AG</td>
<td>2035</td>
<td>50</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 2010 at each coupon-date</td>
<td>3.00 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank Financial Inc.</td>
<td>2015</td>
<td>778</td>
<td>USD</td>
<td>Subordinated Liabilities</td>
<td>No</td>
<td>5.38 % (fx)</td>
</tr>
<tr>
<td>Deutsche Bank S.A.E., Barcelona</td>
<td>2013</td>
<td>41</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>No</td>
<td>3.72 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank S.A.E., Barcelona</td>
<td>2014</td>
<td>40</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>No</td>
<td>5.72 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank S.p.A., Mailand</td>
<td>2018</td>
<td>500</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option in 2013</td>
<td>0.22 % (var.)</td>
</tr>
<tr>
<td>Deutsche Bank Morgan Grenfell Group PLC</td>
<td>perpetual</td>
<td>6</td>
<td>USD</td>
<td>Subordinated Liabilities</td>
<td>Early redemption at the issuer’s option since 1991 at each coupon-date with minimum period of 30 days</td>
<td>1.00 % (var.)</td>
</tr>
<tr>
<td>BHW Bausparkasse</td>
<td>2013</td>
<td>91</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>4.00 % (fx) – 5.80 % (fx)</td>
</tr>
<tr>
<td>BHW Bausparkasse</td>
<td>2014</td>
<td>55</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>2.95 % (var.) – 5.60 % (fx)</td>
</tr>
<tr>
<td>BHW Bausparkasse</td>
<td>2017</td>
<td>5</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.69 % (fx)</td>
</tr>
<tr>
<td>BHW Bausparkasse</td>
<td>2018</td>
<td>6</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>6.08 % (fx)</td>
</tr>
<tr>
<td>BHW Bausparkasse</td>
<td>2019</td>
<td>40</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>4.27 % (fx) – 5.83 % (fx)</td>
</tr>
<tr>
<td>BHW Bausparkasse</td>
<td>2023</td>
<td>40</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.45 % (fx) – 6.13 % (fx)</td>
</tr>
<tr>
<td>BHW Bausparkasse</td>
<td>2024</td>
<td>10</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.64 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2013</td>
<td>227</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>4.78 % (fx) – 6.00 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2014</td>
<td>83</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>4.50 % (fx) – 6.00 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2015</td>
<td>508</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>500 mn.: Early redemption at the issuer’s option since 2011 at each coupon-date</td>
<td>1.00 % (var.) – 5.50 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2016</td>
<td>30</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>4.92 % (fx) – 5.01 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2017</td>
<td>60</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.21 % (fx) – 5.83 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2018</td>
<td>313</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.19 % (fx) – 6.63 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2019</td>
<td>65</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.14 % (fx) – 5.46 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2022</td>
<td>15</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>4.83 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2023</td>
<td>98</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.60 % (fx) – 6.01 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2024</td>
<td>43</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>5.15 % (fx) – 5.45 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2027</td>
<td>13</td>
<td>EUR</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>6.50 % (fx)</td>
</tr>
<tr>
<td>Deutsche Postbank AG</td>
<td>2036</td>
<td>24,000</td>
<td>JPY</td>
<td>Subordinated Liabilities</td>
<td>no</td>
<td>2.76 % (fx) – 2.84 % (fx)</td>
</tr>
</tbody>
</table>
Reconciliation of shareholders’ equity to regulatory capital

<table>
<thead>
<tr>
<th>Description</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total shareholders’ equity per accounting balance sheet</td>
<td>54,003</td>
<td>53,390</td>
</tr>
<tr>
<td>Common shares</td>
<td>2,380</td>
<td>2,380</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>23,778</td>
<td>23,695</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>29,198</td>
<td>30,119</td>
</tr>
<tr>
<td>Therein: Actuarial gains (losses) rel. to defined benefit plans, net of tax/CTA</td>
<td>198</td>
<td>650</td>
</tr>
<tr>
<td>Therein: Net income attributable to Deutsche Bank Shareholders</td>
<td>237</td>
<td>4,132</td>
</tr>
<tr>
<td>Common shares in treasury, at cost</td>
<td>(60)</td>
<td>(823)</td>
</tr>
<tr>
<td>Equity classified as obligation to purchase common shares</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Accumulated other comprehensive income, net of tax</td>
<td>(1,293)</td>
<td>(1,981)</td>
</tr>
<tr>
<td>Prudential filters</td>
<td>(261)</td>
<td>719</td>
</tr>
<tr>
<td>Own credit spread of liabilities designated at fair value</td>
<td>(2)</td>
<td>(128)</td>
</tr>
<tr>
<td>Unrealized gains and losses</td>
<td>(259)</td>
<td>847</td>
</tr>
<tr>
<td>Regulatory adjustments to accounting basis</td>
<td>(15,785)</td>
<td>(17,796)</td>
</tr>
<tr>
<td>Dividend accrual</td>
<td>(697)</td>
<td>(697)</td>
</tr>
<tr>
<td>Goodwill</td>
<td>(8,583)</td>
<td>(10,156)</td>
</tr>
<tr>
<td>Per balance sheet</td>
<td>(9,297)</td>
<td>(10,973)</td>
</tr>
<tr>
<td>Goodwill from at-equity investments</td>
<td>(30)</td>
<td>(29)</td>
</tr>
<tr>
<td>Goodwill relating to non-regulatory consolidation circle</td>
<td>745</td>
<td>846</td>
</tr>
<tr>
<td>Intangibles</td>
<td>(2,996)</td>
<td>(2,753)</td>
</tr>
<tr>
<td>Per balance sheet</td>
<td>(4,922)</td>
<td>(4,829)</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>583</td>
<td>676</td>
</tr>
<tr>
<td>Intangibles relating to non-regulatory consolidation circle</td>
<td>1,343</td>
<td>1,399</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>124</td>
<td>999</td>
</tr>
<tr>
<td>Per balance sheet</td>
<td>407</td>
<td>1,270</td>
</tr>
<tr>
<td>Noncontrolling interests relating to non-regulatory consolidation circle</td>
<td>(283)</td>
<td>(271)</td>
</tr>
<tr>
<td>Securitization positions</td>
<td>(953)</td>
<td>(2,863)</td>
</tr>
<tr>
<td>Shortfall of provisions to expected loss</td>
<td>(440)</td>
<td>(508)</td>
</tr>
<tr>
<td>Free-deliveries outstanding</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Significant investments in the capital of financial sector entities</td>
<td>(1,493)</td>
<td>(1,332)</td>
</tr>
<tr>
<td>Other, including consolidation and regulatory adjustments</td>
<td>(748)</td>
<td>(466)</td>
</tr>
<tr>
<td>Common Equity Tier 1 capital</td>
<td>37,957</td>
<td>36,313</td>
</tr>
<tr>
<td>Additional Tier 1 capital</td>
<td>12,526</td>
<td>12,734</td>
</tr>
<tr>
<td>Hybrid capital securities</td>
<td>12,526</td>
<td>12,734</td>
</tr>
<tr>
<td>Per balance sheet</td>
<td>12,091</td>
<td>12,344</td>
</tr>
<tr>
<td>Regulatory adjustments</td>
<td>435</td>
<td>390</td>
</tr>
<tr>
<td>Deductions from Additional Tier 1 capital</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Tier 1 capital</td>
<td>50,483</td>
<td>49,047</td>
</tr>
<tr>
<td>Tier 2 capital</td>
<td>6,532</td>
<td>6,179</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>9,362</td>
<td>10,813</td>
</tr>
<tr>
<td>Per balance sheet</td>
<td>11,282</td>
<td>12,083</td>
</tr>
<tr>
<td>Amortization</td>
<td>(2,283)</td>
<td>(1,213)</td>
</tr>
<tr>
<td>Regulatory adjustments</td>
<td>364</td>
<td>(57)</td>
</tr>
<tr>
<td>Deductions from Tier 2 capital</td>
<td>(2,885)</td>
<td>(4,703)</td>
</tr>
<tr>
<td>Other</td>
<td>55</td>
<td>70</td>
</tr>
<tr>
<td>Total Regulatory capital</td>
<td>57,015</td>
<td>55,226</td>
</tr>
</tbody>
</table>

**Regulatory Capital Requirements**

Under the Basel framework, overall capital requirements have to be calculated and compared with the regulatory capital described above. The overall capital requirements are frequently expressed in risk-weighted asset terms whereby total capital requirements are 8% of risk-weighted assets. The information presented below is based on the regulatory principles of consolidation.
Since December 31, 2011, the calculation of our RWAs and capital ratios has incorporated the amended capital requirements for trading book and securitization positions pursuant to the "Basel 2.5" framework, as implemented by the Capital Requirements Directive 3 and transposed into German law by the German Banking Act and the Solvency Regulation.

The Basel 2.5 framework introduced the model based risk measures stressed value-at-risk, incremental risk charge and comprehensive risk within market risk for banks applying an internal model approach:

— **Stressed Value-at-Risk**: calculates a stressed value-at-risk measure based on a continuous one year period of significant market stress.

— **Incremental Risk Charge ("IRC")**: captures default and migration risks in addition to the risks already captured in value-at-risk for credit-sensitive positions in the trading book.

— **Comprehensive Risk Measure ("CRM")**: captures incremental risk for the credit correlation trading portfolio calculated using an internal model subject to qualitative minimum requirements as well as stress testing requirements. The CRM must be calculated weekly and is determined as the higher of the latest weekly CRM charge from the model, the twelve weeks average CRM charge, and the MRSA charge for the credit correlation portfolio, the so-called CRM Floor.

In addition, Basel 2.5 regulations require as part of the market risk capital charge the calculation of the specific market risk of securitization trading positions and nth-to-default credit derivatives, which are not eligible for the comprehensive risk measure, based on the market risk standardized approach.

Against this background, we calculate our RWA based on the following approaches:

In December 2007 the BaFin approved the use of the advanced IRBA for the majority of our counterparty credit risk positions which excludes the exposures consolidated from Postbank. Additional advanced IRBA-related BaFin approvals have been obtained during the period 2008 to 2012. The advanced IRBA constitutes the most sophisticated approach available under the Basel regime. Postbank has BaFin approval for the IRBA to be applied to the retail business, which is assigned to the advanced IRBA for consolidation on Group level, and the foundation IRBA for a significant portion of the other counterparty credit risk exposures.

The remaining IRBA eligible exposures are covered within the standardized approach either temporarily (where we are seeking regulatory approval for some remaining small portfolios) or permanently (where exposures are treated under the standardized approach in accordance with Section 70 SolvV). More details on this topic are provided in the Section “Counterparty Credit Risk: Regulatory Assessment”.

The capital requirement for securitization positions is calculated substantially using the IRBA approach; only minor exposures are captured under the standardized approach. The introduction of Basel 2.5 requires identifying re-securitization positions in the banking and trading book which receive an increased risk-weighting and result in higher capital charges for credit risk and market risk, respectively. More details on the treatment of securitization positions can be found in the Section “Securitization”.

For equity investments entered into before January 1, 2008, we use the transitional arrangement to exempt these positions from an IRBA treatment and apply the grandfathering rule, using a 100 % risk weighting. For investments in equity positions entered into since January 1, 2008, we apply the simple risk weight approach within the IRBA for our exposures. For more details regarding equity investments please refer to the Sections “Nontrading Market Risk – Investment Risk” and “Nontrading Market Risk – Equity Investments Held”.

The calculation of regulatory market risk capital requirements is generally based on an internal value-at-risk model, which was approved by the BaFin in October 1998 for our market risk exposures. In December 2011 we received model approvals from BaFin for the stressed value-at-risk, incremental risk charge and comprehensive risk measure. Our regulatory capital calculation for the specific interest rate risk of trading book securitizations and nth-to-default credit derivatives which are not eligible for the comprehensive risk measure is based...
on the market risk standardized approach. Further market risk positions covered under the standardized approach include for example exposures in relation to Postbank. More details on the aforementioned internal models are provided in the Section “Trading Market Risk”.

In December 2007, we obtained approval to apply the advanced measurement approach (“AMA”) to determine our regulatory operational risk capital requirements, the approval does not apply to Postbank. Details on the respective AMA model are given in the Section “Operational Risk”. As of December 31, 2010, Postbank also obtained the approval to apply the advanced measurement approach. Capital requirements for operational risk are still displayed for the Group excluding Postbank, and separately for Postbank as we are waiting for regulatory approval to integrate Postbank into our regulatory capital calculation.

### Risk-weighted Assets by Model Approach and Business Division

<table>
<thead>
<tr>
<th>Model Approach and Business Division</th>
<th>Credit Risk</th>
<th>Foundation IRBA</th>
<th>Other IRBA</th>
<th>Standardized Approach</th>
<th>Market Risk</th>
<th>Operational Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2012</td>
<td>€ m.</td>
<td>€ m.</td>
<td>€ m.</td>
<td>€ m.</td>
<td>€ m.</td>
<td>€ m.</td>
</tr>
<tr>
<td>Corporate Banking &amp; Securities</td>
<td>70,590</td>
<td>26,398</td>
<td>6,134</td>
<td>67,511</td>
<td>40,329</td>
<td>18,235</td>
</tr>
<tr>
<td>Global Transaction Bank</td>
<td>67,914</td>
<td>26,398</td>
<td>6,134</td>
<td>67,511</td>
<td>40,329</td>
<td>18,235</td>
</tr>
<tr>
<td>Asset &amp; Wealth Management</td>
<td>67,314</td>
<td>26,398</td>
<td>6,134</td>
<td>67,511</td>
<td>40,329</td>
<td>18,235</td>
</tr>
<tr>
<td>Private &amp; Business Clients</td>
<td>67,511</td>
<td>26,834</td>
<td>6,134</td>
<td>67,511</td>
<td>40,329</td>
<td>18,235</td>
</tr>
<tr>
<td>Non-Core Operations Unit</td>
<td>67,511</td>
<td>26,834</td>
<td>6,134</td>
<td>67,511</td>
<td>40,329</td>
<td>18,235</td>
</tr>
<tr>
<td>Consolidation &amp; Adjustments and Other</td>
<td>67,511</td>
<td>26,834</td>
<td>6,134</td>
<td>67,511</td>
<td>40,329</td>
<td>18,235</td>
</tr>
<tr>
<td>Total</td>
<td>229,196</td>
<td>86,687</td>
<td>22,695</td>
<td>229,196</td>
<td>98,545</td>
<td>51,595</td>
</tr>
</tbody>
</table>

Within credit risk, the line item “Other” in Advanced IRBA predominately reflects RWA from securitization positions in the banking book. The Other IRBA mainly contains equity positions as well as non-credit obligation assets in the category “Other”. Within the Standardized Approach, about half of the line item “Other” includes RWAs from banking book securitizations with the remainder being exposures assigned to the further exposure classes in the Standardized Approach apart from central governments, institutions, corporate and retail.
## Regulatory Capital Requirements and Risk-weighted Assets

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital requirements</td>
<td>RWA</td>
</tr>
<tr>
<td><strong>Counterparty credit risk</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced IRBA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central governments</td>
<td>301</td>
<td>3,762</td>
</tr>
<tr>
<td>Institutions</td>
<td>716</td>
<td>8,946</td>
</tr>
<tr>
<td>Corporates</td>
<td>6,532</td>
<td>81,646</td>
</tr>
<tr>
<td>Retail (excluding Postbank)</td>
<td>1,727</td>
<td>21,583</td>
</tr>
<tr>
<td>Retail (Postbank)</td>
<td>1,157</td>
<td>14,462</td>
</tr>
<tr>
<td>Other non-credit obligation assets</td>
<td>343</td>
<td>4,283</td>
</tr>
<tr>
<td><strong>Total advanced IRBA</strong></td>
<td>10,775</td>
<td>134,683</td>
</tr>
<tr>
<td>Foundation approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central governments</td>
<td>3</td>
<td>35</td>
</tr>
<tr>
<td>Institutions</td>
<td>252</td>
<td>3,156</td>
</tr>
<tr>
<td>Corporates</td>
<td>1,465</td>
<td>18,506</td>
</tr>
<tr>
<td>Other non-credit obligation assets</td>
<td>152</td>
<td>1,897</td>
</tr>
<tr>
<td><strong>Total foundation approach</strong></td>
<td>1.872</td>
<td>23,394</td>
</tr>
<tr>
<td>Standardized approach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central governments</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Regional governments and local authorities</td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td>Other public sector entities</td>
<td>26</td>
<td>323</td>
</tr>
<tr>
<td>Multilateral development banks</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>International organizations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Institutions</td>
<td>18</td>
<td>230</td>
</tr>
<tr>
<td>Covered bonds issued by credit institutions</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Corporates</td>
<td>1,491</td>
<td>18,640</td>
</tr>
<tr>
<td>Retail</td>
<td>525</td>
<td>6,564</td>
</tr>
<tr>
<td>Claims secured by real estate property</td>
<td>218</td>
<td>2,728</td>
</tr>
<tr>
<td>Collective investment undertakings</td>
<td>196</td>
<td>2,444</td>
</tr>
<tr>
<td>Other items</td>
<td>1,176</td>
<td>14,702</td>
</tr>
<tr>
<td>Past due items</td>
<td>130</td>
<td>1,625</td>
</tr>
<tr>
<td><strong>Total standardized approach</strong></td>
<td>3,786</td>
<td>47,320</td>
</tr>
<tr>
<td><strong>Risk from securitization positions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securitizations (IRBA)</td>
<td>1,066</td>
<td>13,325</td>
</tr>
<tr>
<td>Securitizations (standardized approach)</td>
<td>117</td>
<td>1,457</td>
</tr>
<tr>
<td><strong>Total risk from securitization positions</strong></td>
<td>1,183</td>
<td>14,782</td>
</tr>
<tr>
<td><strong>Risk from equity positions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity positions (grandfathered)</td>
<td>281</td>
<td>3,517</td>
</tr>
<tr>
<td>Equity positions (IRBA simple risk-weight approach)</td>
<td>436</td>
<td>5,455</td>
</tr>
<tr>
<td>Exchange-traded</td>
<td>51</td>
<td>832</td>
</tr>
<tr>
<td>Non-exchange-traded</td>
<td>369</td>
<td>4,616</td>
</tr>
<tr>
<td>Non-exchange-traded but sufficiently diversified</td>
<td>17</td>
<td>207</td>
</tr>
<tr>
<td><strong>Total risk from equity positions</strong></td>
<td>718</td>
<td>8,971</td>
</tr>
<tr>
<td><strong>Settlement risk</strong></td>
<td>4</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total counterparty credit risk</strong></td>
<td>18,336</td>
<td>229,196</td>
</tr>
<tr>
<td><strong>Market risk in the trading book</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal model approach</td>
<td>3,726</td>
<td>46,571</td>
</tr>
<tr>
<td>VaR</td>
<td>761</td>
<td>9,510</td>
</tr>
<tr>
<td>Stressed VaR</td>
<td>1,641</td>
<td>20,518</td>
</tr>
<tr>
<td>Incremental Risk Charge</td>
<td>761</td>
<td>9,509</td>
</tr>
<tr>
<td>Comprehensive Risk Measurement (Correlation Trading)</td>
<td>563</td>
<td>7,035</td>
</tr>
<tr>
<td>Standardized approach</td>
<td>519</td>
<td>6,487</td>
</tr>
<tr>
<td>Interest rate risk – Non-Securitization</td>
<td>2</td>
<td>26</td>
</tr>
<tr>
<td>Interest rate risk – Securitization and nth-to-default derivatives</td>
<td>443</td>
<td>5,533</td>
</tr>
<tr>
<td>Equity risk</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FX risk</td>
<td>42</td>
<td>524</td>
</tr>
<tr>
<td>Commodity risk</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other market risk</td>
<td>32</td>
<td>404</td>
</tr>
<tr>
<td><strong>Total market risk in the trading book</strong></td>
<td>4,245</td>
<td>53,058</td>
</tr>
</tbody>
</table>

### Operational risk

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced measurement approach (excluding Postbank)</td>
<td>3,866</td>
<td>48,325</td>
</tr>
<tr>
<td>Advanced measurement approach (Postbank)</td>
<td>262</td>
<td>3,270</td>
</tr>
<tr>
<td><strong>Total operational risk</strong></td>
<td>4,128</td>
<td>51,595</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulatory capital requirements and RWA</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>26,708</td>
<td>333,849</td>
<td>30,524</td>
</tr>
</tbody>
</table>
The table below provides an analysis of key drivers for RWA movements on a Basel 2.5 basis observed for credit and market risk in the reporting period.

### Development of Risk-weighted Assets for Credit Risk and Market Risk

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012 in € m.</th>
<th>Credit risk</th>
<th>thereof: derivatives and repo-style transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Counterparty credit risk</strong></td>
<td></td>
<td>262,764</td>
<td>50,973</td>
</tr>
<tr>
<td>Book Quality/Growth</td>
<td>3,400</td>
<td>3,283</td>
<td></td>
</tr>
<tr>
<td>Operating Model Improvements</td>
<td>(13,534)</td>
<td>(12,800)</td>
<td></td>
</tr>
<tr>
<td>Advanced Model Roll out</td>
<td>(7,325)</td>
<td>(4,180)</td>
<td></td>
</tr>
<tr>
<td>Asset Sale/Hedging</td>
<td>(14,470)</td>
<td>(1,567)</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange movements</td>
<td>(1,639)</td>
<td>(436)</td>
<td></td>
</tr>
<tr>
<td><strong>Credit risk RWA balance, end of year</strong></td>
<td></td>
<td>229,196</td>
<td>35,274</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Dec 31, 2012 in € m.</th>
<th>Market risk</th>
<th>thereof:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market risk RWA balance, beginning of year</strong></td>
<td></td>
<td>68,095</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movement in risk levels</td>
<td></td>
<td>(322)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market data changes and recalibrations</td>
<td></td>
<td>(2,577)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model updates</td>
<td></td>
<td>(707)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Methodology and policy</td>
<td></td>
<td>(11,215)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions and disposals</td>
<td></td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange movements</td>
<td></td>
<td>(216)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market risk RWA balance, end of year</strong></td>
<td></td>
<td>53,058</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The decrease in RWA for counterparty credit risk by 13% since December 31, 2011 mainly reflects the successful RWA reduction efforts focusing on de-risking as well as model and process enhancements.

The category Asset Sale/Hedging mainly includes de-risking activities through disposals, restructuring and additional hedging. Regular process and data enhancements including further migration of derivatives into the internal model method as well as continuing usage of master netting and collateral agreements are considered in the category Operating Model improvements. The Advanced Model Roll-out category primarily shows the impact from BaFin approvals received for certain advanced IRBA models which we continued to roll out in light of the German regulatory requirement to achieve an IRBA coverage ratio of 92% on an EAD- and RWA-basis by December 31, 2012. The category Book Quality/Growth includes organic changes in the book size as well as the effects from portfolio rating migrations.

The analysis for market risk covers movements in our 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, e.g. for trading securitizations and nth-to-default derivatives or trading exposures for Postbank.

The 22% RWA decrease for market risk since December 31, 2011 is mainly due to the significant reduction of our BaFin-defined, internal model multiplier from 5.5 to 4.0 for value-at-risk and stressed value-at-risk resulting from model enhancements and process improvements. The impact is reflected exclusively in the “Methodology and policy” category which provides regulatory-driven changes to our market risk RWA models. The market risk RWA movements due to changes in market data levels, volatilities, correlations, liquidity and ratings are included under the market data changes category. In 2012 we saw a benefit in market risk RWA due to lower levels of volatility within the historical market data used in the calculation. Changes to our market risk RWA internal models, such as methodology enhancements or risk scope extensions, are included in the category of “Model updates”. Further details on the market risk methodologies and their refinements are provided in the section “Trading Market Risk – Market Risk Measurement”. Market risk RWA movements in Risk levels are interpreted as organic changes in portfolio size and composition resulting from the normal course of business. In this category we also consider re-allocations between the regulatory trading and banking book which occur in rare cases. Significant new businesses and disposals would be assigned to the line item Acquisition and disposal, which was not applicable in this reporting period.
Regulatory Capital Ratios

The KWG and the SolV reflect the capital adequacy rules of Basel 2.5 and require German banks to maintain an adequate level of capital in relation to their regulatory capital requirements comprising counterparty credit risk, operational risk and market risk. Counterparty credit risk and operational risk must be covered with Tier 1 capital and Tier 2 capital (together “regulatory banking capital”). Market risk must be covered with regulatory banking capital (to the extent not required to cover counterparty credit and operational risk) or Tier 3 capital (together with regulatory banking capital, “own funds”).

The following table shows our eligible regulatory capital, including transitional items pursuant to Section 64h (3) KWG, available to cover the minimum capital requirements by risk type:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>in € m.</td>
<td>Reg</td>
<td>Available</td>
</tr>
<tr>
<td>Counterparty credit and operational risk</td>
<td>22,464</td>
<td>57,251</td>
</tr>
<tr>
<td>Market risk</td>
<td>4,245</td>
<td>34,787</td>
</tr>
</tbody>
</table>

As of each of December 31, 2012, and December 31, 2011, we held regulatory capital well above the required minimum standards. The increase of regulatory capital in 2012 of € 1.7 billion, thereof € 1.4 billion in the form of Tier 1 capital, reflected primarily reduced capital deduction items.

The German Banking Act and Solvency Regulation rules required us to cover our market risk as of December 31, 2012 with € 4.2 billion of total regulatory capital (Tier 1 + 2 + 3) compared to € 5.4 billion as of December 31, 2011. We met this requirement entirely with Tier 1 and Tier 2 capital that was not required for the minimum coverage of credit and operational risk.

Basel 2.5 requires the deduction of goodwill from Tier 1 capital. However, for a transitional period the partial inclusion of certain goodwill components in Tier 1 capital is allowed pursuant to German Banking Act Section 64h (3).

As of December 31, 2012, the transitional item amounted to € 236 million compared to € 319 million as of December 31, 2011. In our reporting to the German regulatory authorities, this amount is included in the Tier 1 capital, total regulatory capital and the total risk-weighted assets, as shown in the tables above. Correspondingly, our Tier 1 and total capital ratios reported to the German regulatory authorities including this item were 15.2 % and 17.1 %, respectively, on December 31, 2012 compared to 12.9 % and 14.6 %, respectively, on December 31, 2011.

As of December 31, 2012, regulatory capital ratios on a standalone basis for Deutsche Bank AG and for its subsidiaries Deutsche Bank Privat- und Geschäftskunden AG, norisbank GmbH, DWS Finanz-Service GmbH, Deutsche Bank Europe GmbH and Sal. Oppenheim jr. & Cie. AG & Co.KGaA are not disclosed as these companies have applied the exemptions codified in Section 2a KWG. As a result, they are exempted from the obligation to comply with certain regulatory requirements of the Banking Act on a standalone basis, including solvency calculations and reporting of regulatory capital ratios. These exemptions can only be applied if, among other things, there is no material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities from Deutsche Bank AG to the respective subsidiaries or from all subsidiaries in the Group to Deutsche Bank AG.

Deutsche Postbank AG, which we have consolidated since December 3, 2010, is considered a significant subsidiary of the Group. Here, “significant” is defined as an entity whose relative individual contribution to our risk-weighted assets exceeds 5 % of our overall RWA. In December 2012 Deutsche Postbank AG has issued a waiver notification in accordance with Section 2a KWG to the German Supervisory Authority, the application of which is currently under discussion between Deutsche Postbank AG and the Supervisory Authority. Notwith-
standing, the Tier 1 capital ratio as of December 31, 2012 and the total capital ratio for the Deutsche Postbank Group including Deutsche Postbank AG with goodwill components allowed pursuant to Section 64h (3) KWG amounted to 12.0 % and 15.9 %, and 10.8 % and 14.9 % as of December 31, 2011, respectively.

Failure to meet minimum capital requirements can result in orders to suspend or reduce dividend payments or other profit distributions on regulatory capital and discretionary actions by the BaFin that, if undertaken, could have a direct material effect on our businesses. We complied with the regulatory capital adequacy requirements in 2012. Our subsidiaries which are not included in the regulatory consolidation did not report any capital deficiencies in 2012.

Balance Sheet Management

We manage our balance sheet on a Group level and, where applicable, locally in each region. In the allocation of financial resources we favor business portfolios with the highest positive impact on our profitability and shareholder value. We monitor and analyze balance sheet developments and track certain market-observed balance sheet ratios. Based on this we trigger discussion and management action by the Capital and Risk Committee. While we monitor IFRS balance sheet developments, our balance sheet management is principally focused on adjusted values as used in our adjusted leverage ratio, which is calculated using adjusted total assets and adjusted total equity figures.

Leverage Ratio: We calculate our leverage ratio as a non-GAAP financial measure by dividing total assets by total equity. We disclose an adjusted leverage ratio for which the following adjustments are made to the reported IFRS assets and equity:

— Total assets under IFRS are adjusted to reflect additional netting provisions to obtain total assets adjusted. Under IFRS offsetting of financial assets and financial liabilities is required when an entity, (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. IFRS specifically focuses on the intention to settle net in the ordinary course of business, irrespective of the rights in default. As most derivative contracts covered by a master netting agreement do not settle net in the ordinary course of business they must be presented gross under IFRS. Repurchase and reverse repurchase agreements are also presented gross, as they also do not settle net in the ordinary course of business, even when covered by a master netting agreement. It has been industry practice in the U.S. to net the receivables and payables from unsettled regular way trades. This is not permitted under IFRS.

— Total equity under IFRS is adjusted to reflect pro-forma fair value gains and losses on our own debt (post-tax, estimate assuming that substantially all of our own debt was designated at fair value), to obtain total equity adjusted. The tax rate applied for this calculation is a blended uniform tax rate of 35 %.

We apply these adjustments in calculating the adjusted leverage ratio to improve comparability with competitors. The definition of the adjusted leverage ratio is used consistently throughout the Group in managing the business. There will still be differences in the way competitors calculate their leverage ratios compared to our definition of the adjusted leverage ratio. Therefore our adjusted leverage ratio should not be compared to other companies’ leverage ratios without considering the differences in the calculation. Our adjusted leverage ratio is not likely to be identical to, nor necessarily indicative of, what our leverage ratio would be under any current or future bank regulatory leverage ratio requirement.
Leverage ratio

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (IFRS)</td>
<td>2,012</td>
<td>2,164</td>
</tr>
<tr>
<td>Adjustment for additional derivatives netting</td>
<td>(705)</td>
<td>(782)</td>
</tr>
<tr>
<td>Adjustment for additional pending settlements netting</td>
<td>(82)</td>
<td>(105)</td>
</tr>
<tr>
<td>Adjustment for additional reverse repo netting</td>
<td>(26)</td>
<td>(10)</td>
</tr>
<tr>
<td>Total assets (adjusted)</td>
<td>1,199</td>
<td>1,267</td>
</tr>
<tr>
<td>Total equity (IFRS)</td>
<td>54.4</td>
<td>54.7</td>
</tr>
<tr>
<td>Adjustment for pro-forma fair value gains (losses) on own debt (post-tax)</td>
<td>1.7</td>
<td>4.5</td>
</tr>
<tr>
<td>Total equity (adjusted)</td>
<td>56.1</td>
<td>59.2</td>
</tr>
<tr>
<td>Leverage Ratio in % (IFRS)</td>
<td>37</td>
<td>40</td>
</tr>
<tr>
<td>Leverage Ratio in % (adjusted)</td>
<td>21</td>
<td>21</td>
</tr>
</tbody>
</table>

1 The estimated cumulative tax effect on pro-forma fair value gains (losses) on such own debt was € (0.9) billion and € (2.4) billion at December 31, 2012 and December 31, 2011, respectively.

As of December 31, 2012, on a consolidated basis our adjusted leverage ratio was materially unchanged compared to the prior year-end, and is well below our leverage ratio target of 25. Our leverage ratio calculated as the ratio of total assets under IFRS to total equity under IFRS was 37 as of December 31, 2012, a slight decrease compared to end of 2011.

Overall Risk Position

Economic Capital

To determine our overall (nonregulatory) risk position, we generally consider diversification benefits across risk types except for business risk, which we aggregate by simple addition.

Overall risk position as measured by economic capital usage

<table>
<thead>
<tr>
<th>in € m.</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
<th>2012 increase (decrease) from 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td>12,574</td>
<td>12,812</td>
<td>(238) (2)</td>
</tr>
<tr>
<td>Market Risk</td>
<td>13,185</td>
<td>12,003</td>
<td>1,182 (10)</td>
</tr>
<tr>
<td>Trading market risk</td>
<td>4,690</td>
<td>4,724</td>
<td>(34) (1)</td>
</tr>
<tr>
<td>Nontrading market risk</td>
<td>8,495</td>
<td>7,278</td>
<td>1,216 (17)</td>
</tr>
<tr>
<td>Operational risk</td>
<td>5,018</td>
<td>4,846</td>
<td>171 (4)</td>
</tr>
<tr>
<td>Diversification benefit across credit, market and operational risk</td>
<td>(4,435)</td>
<td>(4,264)</td>
<td>(171) (4)</td>
</tr>
<tr>
<td>Sub-total credit, market and operational risk</td>
<td>26,342</td>
<td>25,397</td>
<td>945 (4)</td>
</tr>
<tr>
<td>Business risk</td>
<td>2,399</td>
<td>980</td>
<td>1,419 (145)</td>
</tr>
<tr>
<td>Total economic capital usage</td>
<td>28,741</td>
<td>26,377</td>
<td>2,364 (9)</td>
</tr>
</tbody>
</table>

As of December 31, 2012, our economic capital usage totaled € 28.7 billion, which is € 2.4 billion, or 9 %, above the € 26.4 billion economic capital usage as of December 31, 2011. The higher overall risk position mainly reflected introduction of the new strategic risk model for business risk and extension of nontrading market risk coverage to banking book credit spread risk.

The economic capital usage as of December 31, 2012 included € 5.3 billion in relation to Postbank, which is € 1.0 billion, or 23 % higher than the € 4.3 billion economic capital usage as of December 31, 2011. The increase was largely driven by the inclusion of credit spread risk exposure of Postbank’s banking book investment portfolio into the coverage of the nontrading economic capital framework, partially offset by reduced economic capital usage for business risk.

Our economic capital usage for credit risk totaled € 12.6 billion as of December 31, 2012. The decrease of € 238 million, or 2 %, mainly reflected overall exposure reduction compensated for by the effects from regular recalibrations of credit risk parameters and methodology updates.
The economic capital usage for market risk increased by € 1.2 billion, or 10%, to € 13.2 billion as of December 31, 2012 and was driven by € 1.2 billion, or 17%, higher nontrading market risk. The increase was primarily due to the extension of nontrading market risk coverage to banking book credit spread risk mentioned above as well as higher economical capital usage for our guaranteed funds portfolio, partially offset by methodology updates in relation to structural foreign exchange risk, higher diversification benefit with trading market risk and lower economic capital usage due to asset sales. Our trading market risk economic capital usage decreased by € 34 million, or 1%. The materially unchanged economic capital usage for trading market risk reflected offsetting effects of methodology refinements and exposure reductions.

The economic capital usage for operational risk increased by € 171 million, or 4%, to € 5.0 billion as of December 31, 2012. The increase is primarily due to higher industry loss experience, the integration of BHF-BANK into our AMA model in the first quarter 2012, as well as a model refinement in the second quarter 2012. The capital continues to include the safety margin applied in our AMA model, which was implemented in 2011 to cover unforeseen legal risks from the current financial crisis.

Our business risk economic capital usage, consisting of a strategic risk and a tax risk component, totaled € 2.4 billion as of December 31, 2012, which is € 1.4 billion or 145% higher than the € 1.0 billion economic capital usage as of December 31, 2011. The increase was driven by a new, significantly improved model to calculate the economic capital for strategic risk, which was implemented in the fourth quarter 2012. The new model replaced our former scenario approach by a full simulation of the Group and business unit earnings and links in more closely with the Group’s strategic planning process.

The diversification effect of the economic capital usage across credit, market and operational risk increased by € 171 million, or 4%, as of December 31, 2012, corresponding to the higher risk position considered for diversification.

| Relative measure of each risk type as measured by economic capital usage of our business Divisions |
|----------------------------------|-----------|-----------|
| in € m.                      | Dec 31, 2012 | Dec 31, 2011 |
| Corporate Banking & Securities | 11,788     | 8,729     |
| Global Transaction Banking    | 1,434      | 1,294     |
| Asset & Wealth Management     | 2,016      | 1,647     |
| Private & Business Clients    | 6,720      | 6,508     |
| Non-Core Operations Unit      | 5,452      | 6,806     |
| Consolidation & Adjustments   | 1,331      | 1,393     |
| Total economic capital requirement | 28,741    | 26,377    |

**Internal Capital Adequacy Assessment Process**

The 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 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 “Internal Capital Adequacy”).

We, at a group level, maintain compliance with the ICAAP as required under Pillar 2 of Basel 2 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 ensure our 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 and capital targets set;
— Frequent risk and capital reporting to management; and
— An economic capital and stress testing framework which also includes specific stress tests to underpin our Recovery monitoring processes.
More information on risk management organized by major risk category can be found in section “Risk Management Principles – Risk Governance”.

Internal Capital Adequacy
As the primary measure of our Internal Capital Adequacy Assessment Process, we assess our internal capital adequacy based on our “gone concern approach” as the ratio of our total capital supply divided by our total capital demand as shown in the table below. During 2011 we revised our capital supply definition for deferred tax assets, fair value adjustments and noncontrolling interests in accordance with regulatory guidance. In the fourth quarter of 2012 shareholders’ equity replaced adjusted active book equity as the starting point for capital supply calculation to make it more transparent. The prior year comparison information has been adjusted accordingly.

### Internal Capital Adequacy

<table>
<thead>
<tr>
<th>in € m. (unless stated otherwise)</th>
<th>Dec 31, 2012</th>
<th>Dec 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Supply</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ Equity</td>
<td>54,003</td>
<td>53,390</td>
</tr>
<tr>
<td>Unrealized net gains/losses</td>
<td>220</td>
<td>125</td>
</tr>
<tr>
<td>Deferred Tax Assets</td>
<td>(7,718)</td>
<td>(8,737)</td>
</tr>
<tr>
<td>Fair Value adjustments for financial assets reclassified to loans</td>
<td>(1,992)</td>
<td>(3,323)</td>
</tr>
<tr>
<td>Noncontrolling Interests</td>
<td>=</td>
<td>694</td>
</tr>
<tr>
<td>Hybrid Tier 1 capital instruments</td>
<td>12,526</td>
<td>12,734</td>
</tr>
<tr>
<td>Tier 2 capital instruments</td>
<td>11,648</td>
<td>12,044</td>
</tr>
<tr>
<td><strong>Capital Supply</strong></td>
<td><strong>68,685</strong></td>
<td><strong>66,927</strong></td>
</tr>
<tr>
<td><strong>Capital Demand</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Capital Requirement</td>
<td>28,741</td>
<td>26,377</td>
</tr>
<tr>
<td>Intangibles</td>
<td>14,219</td>
<td>15,802</td>
</tr>
<tr>
<td><strong>Capital Demand</strong></td>
<td><strong>42,960</strong></td>
<td><strong>42,179</strong></td>
</tr>
<tr>
<td><strong>Internal Capital Adequacy Ratio</strong></td>
<td><strong>160 %</strong></td>
<td><strong>159 %</strong></td>
</tr>
</tbody>
</table>

1 Includes unrealized net gains (losses) on cash flow hedges, net of tax and deduction of fair value gains on own credit-effect relating to own liabilities designated under the fair value option.
2 Includes fair value adjustments for assets reclassified in accordance with IAS 39 and for banking book assets where no matched funding is available.
3 Includes noncontrolling interest up to the economic capital requirement for each subsidiary.
4 Tier 2 capital instruments excluding items to be partly deducted from Tier 2 capital pursuant to Section 10 (6) and (6a) KWG, unrealized gains on listed securities (45 % eligible) and certain haircut-amounts that only apply under regulatory capital assessment.

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 160 % as of December 31, 2012, compared to 159 % as of December 31, 2011. The increase in capital supply, driven by higher shareholders’ equity and reduced deduction items, outweighed the increase in the observed capital demand and determined the development in favor of the ratio. The shareholders’ equity increase by € 613 million mainly reflected unrealized gains on financial assets available for sale and net income of the year, partially offset by foreign currency translation effects. The decrease in the noncontrolling interest by € 694 million was due to effects from the conclusion of the aforementioned domination and profit and loss transfer agreement with Postbank. The increase in capital demand was driven by higher economic capital requirement, explained in the section “Overall Risk Position”, which was partially offset by the impairments of goodwill and other intangible assets in the fourth quarter 2012.

The above capital adequacy measures apply for the consolidated group as a whole (including Postbank) and form an integral part of our Risk and Capital Management framework, further described in the other sections of this report.
Internal Control over Financial Reporting

General
Management of Deutsche Bank and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (“ICOFR”). Our internal control over financial reporting is a process designed under the supervision of our Co-Chief Executive Officers and our Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm’s consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes our disclosure controls and procedures to prevent misstatements.

Risks in financial reporting
The main risks in financial reporting are that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud) or the publication of financial statements is not done on a timely basis. These risks may reduce investor confidence or cause reputational damage and may have legal consequences including banking regulatory interventions. A lack of fair presentation arises when one or more financial statement amounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could individually or collectively, influence economic decisions that users make on the basis of the financial statements.

To confine those risks of financial reporting, management of the Group has established ICOFR to provide reasonable but not absolute assurance against material misstatements. The design of the ICOFR is based on internal control framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system. As a result in establishing ICOFR, management has adopted the following financial statement objectives:

— **Existence** – assets and liabilities exist and transactions have occurred.
— **Completeness** – all transactions are recorded, account balances are included in the financial statements.
— **Valuation** – assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
— **Rights and Obligations and ownership** – rights and obligations are appropriately recorded as assets and liabilities.
— **Presentation and disclosures** – classification, disclosure and presentation of financial reporting is appropriate.
— **Safeguarding of assets** – unauthorized acquisitions, use or disposition of assets is prevented or detected in a timely manner.

However, any internal control system, including ICOFR, no matter how well conceived and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.
Organization of the Internal Control System
Functions involved in the system of internal control over financial reporting

Controls within the system of ICOFR are performed by all business functions and infrastructure functions with an involvement in assuring the reliability of these books and records that underlie the financial statements. As a result, the operation of ICOFR involves staff based mainly in the following functions: Finance, Group Technology and Operations, Risk, and Group Tax.

Finance is responsible for the periodic preparation of the financial statements and operates independently from the businesses. Within Finance, different departments have control responsibilities which contribute to the overall preparation process:

— **Finance specialists for businesses or entities** – responsible for assuring the quality of financial data by performing validation and control. They are in close contact with business, infrastructure and legal entity management and employ their specific knowledge to address financial reporting issues arising on products and transactions, as well as validating reserving and other judgmental adjustments. Entity and business related specialists add the perspective of legal entities to the business view and sign-off on the financial reporting of their entities.

— **Finance-Group Reporting** – responsible for Group-wide activities which include the preparation of group financial and management information, forecasting and planning, and risk reporting. Finance-Group Reporting set the reporting timetables, perform the consolidation and aggregation processes, effect the elimination entries for inter and intra group activities, control the period end and adjustment processes, compile the Group financial statements, and consider and incorporate comments as to content and presentation made by senior and external advisors.

— **Accounting Policy and Advisory Group ("APAG")** – responsible for developing the Group’s interpretation of International Financial Reporting Standards and their consistent application within the Group. APAG provides accounting advice and consulting services to Finance and the wider business, and ensures the timely resolution of corporate and transaction-specific accounting issues.

— **Global Valuation Oversight Group ("GVO")** and business aligned valuation specialists – responsible for developing policies and minimum standards for valuation, providing related implementation guidance when undertaking valuation control work, and challenging and validating valuation control results. They act as the single point of contact on valuation topics for external parties (such as regulators and external auditors).

The operation of ICOFR is also importantly supported by Group Technology and Operations, Risk and Group Tax. Although these functions are not directly involved in the financial preparation process, they contribute significantly to the production of financial information:

— **Group Technology and Operations ("GTO")** – responsible for confirming transactions with counterparties, and performing reconciliations both internally and externally of financial information between systems, deposits and exchanges. GTO also undertakes all transaction settlement activity on behalf of the Group and performs reconciliations of nostro account balances.

— **Risk** – responsible for developing policies and standards for managing credit, market, legal, liquidity and operational risks. Risk identifies and assesses the adequacy of credit, legal and operational provisions.

— **Group Tax** – responsible for producing income tax related financial data in conjunction with Finance, covering the assessment and planning of current and deferred income taxes and the collection of tax related information. Group Tax monitors the income tax position and controls the provisioning for tax risks.
Controls to minimize the risk of financial reporting misstatement

The system of ICOFR consists of a large number of internal controls and procedures to minimize the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

— are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties,
— operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process.
— are preventative or detective in nature.
— have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include IT general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item.
— feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

The combination of individual controls encompasses all of the following aspects of the system of ICOFR:

— Accounting policy – design and implementation. Controls to ensure the consistent recording and reporting of the Group’s business activities on a global basis in accordance with authorized accounting policies.
— Reference data. Controls over reference data in relation to the general ledger and on and off-balance sheet transactions including product reference data.
— Transaction approval, capture and confirmation. Controls to ensure the completeness and accuracy of recorded transactions as well as appropriate authorization. Such controls include transaction confirmations which are sent to and received from counterparties to ensure that trade details are corroborated.
— Reconciliation controls, both externally and internally. Inter-system reconciliations are performed between relevant systems for all trades, transactions, positions or relevant parameters. External reconciliations include nostro account, depot and exchange reconciliations.
— Valuation including the independent price verification process (“IPV”). Finance performs IPV controls at least monthly, in order to gain comfort as to the reasonableness of the front office valuation. The results of the IPV processes are assessed on a monthly basis by the Valuation Control Oversight Committee. Business aligned valuation specialists focus on valuation approaches and methodologies for various asset classes and perform IPV for complex derivatives and structured products.
— Taxation. Controls to ensure that tax calculations are performed properly and that tax balances are appropriately recorded in the financial statements.
— Reserving and judgmental adjustments. Controls to ensure reserving and other judgmentally based adjustments are authorized and reported in accordance with the approved accounting policies.
— Balance Sheet substantiation. Controls relating to the substantiation of balance sheet accounts to ensure the integrity of general ledger account balances based on supporting evidence.
— Consolidation and other period end reporting controls. At period end, all businesses and regions submit their financial data to the Group for consolidation. Controls over consolidation include the validation of accounting entries required to eliminate the effect of inter and intra company activities. Period end reporting controls include general ledger month end close processes and the review of late adjustments.
— Financial Statement disclosure and presentation. Controls over compilation of the financial statements themselves including preparation of disclosure checklists and compliance with the requirements thereof, and review and sign-off of the financial statements by senior Finance management. The financial statements are also subject to approval by the Management Board, and the Supervisory Board and its Audit Committee.
Measuring effectiveness of internal control

Each year, management of the Group undertakes a formal evaluation of the adequacy and effectiveness of the system of ICOFR. This evaluation incorporated an assessment of the effectiveness of the control environment as well as individual controls which make up the system of ICOFR taking into account:

— The financial misstatement risk of the financial statement line items, considering such factors as materiality and the susceptibility of the particular financial statement item to misstatement.
— The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the operation of the system of ICOFR is effective. The evidence itself is generated from procedures integrated with the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also forms an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings. Such information sources include:

— Reports on audits carried out by or on behalf of regulatory authorities
— External Auditor reports
— Reports commissioned to evaluate the effectiveness of outsourced processes to third parties

In addition, Group Audit provides assurance over the design and operating effectiveness of ICOFR by performing periodic and ad-hoc risk-based audits. Reports are produced summarizing the results from each audit performed which are distributed to the responsible managers for the activities concerned. These reports, together with the evidence generated by specific further procedures that Group Audit performs also provide evidence to support the annual evaluation by management of the overall operating effectiveness of the ICOFR.

As a result of the evaluation, management has concluded that ICOFR is appropriately designed and operating effectively as of December, 31 2012.
Information pursuant to Section 315 (4) of the German Commercial Code and Explanatory Report

Structure of the Share Capital
As of December 31, 2012, Deutsche Bank’s issued share capital amounted to € 2,379,519,078.40 consisting of 929,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. Each share confers one vote.

Restrictions on Voting Rights or the Transfer of Shares
Under Section 136 of the German Stock Corporation Act the voting right of the affected shares is excluded by law. As far as the bank held own shares as of December 31, 2012 in its portfolio according to Section 71b of the German Stock Corporation Act no rights could be exercised. We are not aware of any other restrictions on voting rights or the transfer of shares.

Shareholdings which Exceed 10 % of the Voting Rights
The German Securities Trading Act (Wertpapierhandelsgesetz) requires any investor whose share of voting rights reaches, exceeds or falls below certain thresholds as the result of purchases, disposals or otherwise, must notify us and the German Federal Financial Supervisory Authority (BaFin) thereof. The lowest threshold is 3 %. We are not aware of any shareholder holding directly or indirectly 10 % or more of the voting rights.

Shares with Special Control Rights
Shares which confer special control rights have not been issued.

System of Control of any Employee Share Scheme where the Control Rights are not Exercised Directly by the Employees
The employees, who hold Deutsche Bank shares, exercise their control rights as other shareholders in accordance with applicable law and the Articles of Association (Satzung).

Rules Governing the Appointment and Replacement of Members of the Management Board
Pursuant to the German Stock Corporation Act (Section 84) and the Articles of Association of Deutsche Bank (Section 6) the members of the Management Board are appointed by the Supervisory Board. The number of Management Board members is determined by the Supervisory Board. According to the Articles of Association, the Management Board has at least three members. The Supervisory Board may appoint one or two members of the Management Board as Chairpersons of the Management Board. Members of the Management Board may be appointed for a maximum term of up to five years. They may be re-appointed or have their term extended for one or more terms of up to a maximum of five years each. The German Co-Determination Act (Mitbestimmungsgesetz; Section 31) requires a majority of at least two thirds of the members of the Supervisory Board to appoint members of the Management Board. If such majority is not achieved, the Mediation Committee shall give, within one month, a recommendation for the appointment to the Management Board. The Supervisory Board will then appoint the members of the Management Board with the majority of its members. If such appointment fails, the Chairperson of the Supervisory Board shall have two votes in a new vote. If a required member of the Management Board has not been appointed, the Local Court (Amtsgericht) in Frankfurt am Main shall, in urgent cases, make the necessary appointments upon motion by any party concerned (Section 85 of the Stock Corporation Act).

Pursuant to the German Banking Act (Kreditwesengesetz) evidence must be provided to the German Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank that the member of the Management Board has adequate theoretical and practical experience of the businesses of the Bank as well as managerial experience before the member is appointed (Sections 24 (1) No. 1 and 33 (2) of the Banking Act).
The Supervisory Board may revoke the appointment of an individual as member of the Management Board or as Chairperson of the Management Board for good cause. Such cause includes in particular a gross breach of duties, the inability to manage the Bank properly or a vote of no-confidence by the shareholders’ meeting (Hauptversammlung, referred to as the General Meeting), unless such vote of no-confidence was made for obviously arbitrary reasons.

The BaFin may appoint a special representative and transfer to such special representative the responsibility and powers of individual members of the Management Board if such members are not trustworthy or do not have the required competencies or if the credit institution does not have the required number of Management Board members. If members of the Management Board are not trustworthy or do not have the required expertise or if they have missed a material violation of the principles of sound management or if they have not addressed identified violations, the BaFin may transfer to the special representative the responsibility and powers of the Management Board in its entirety. In any such case, the responsibility and powers of the Management Board members concerned are suspended (Section 45c (1) through (3) of the Banking Act).

If the discharge of a bank’s obligations to its creditors is endangered or if there are valid concerns that effective supervision of the bank is not possible, the BaFin may take temporary measures to avert that risk. It may also prohibit members of the Management Board from carrying out their activities or impose limitations on such activities (Section 46 (1) of the Banking Act). In such case, the Local Court Frankfurt am Main shall, at the request of the BaFin appoint the necessary members of the Management Board, if, as a result of such prohibition, the Management Board does no longer have the necessary number of members in order to conduct the business (Section 46 (2) of the Banking Act).

**Rules Governing the Amendment of the Articles of Association**

Any amendment of the Articles of Association requires a resolution of the General Meeting (Section 179 of the Stock Corporation Act). The authority to amend the Articles of Association in so far as such amendments merely relate to the wording, such as changes of the share capital as a result of the issuance of authorized capital, has been assigned to the Supervisory Board by the Articles of Association of Deutsche Bank (Section 20 (3)). Pursuant to the Articles of Association, the resolutions of the General Meeting are taken by a simple majority of votes and, in so far as a majority of capital stock is required, by a simple majority of capital stock, except where law or the Articles of Association determine otherwise (Section 20 (1)). Amendments to the Articles of Association become effective upon their entry in the Commercial Register (Section 181 (3) of the Stock Corporation Act).

**Powers of the Management Board to Issue or Buy Back Shares**

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, 2012, Deutsche Bank AG had authorized but unissued capital of €1,152,000,000 which may be issued in whole or in part until April 30, 2016. Further details are governed by Section 4 of the Articles of Association.

<table>
<thead>
<tr>
<th>Authorized capital</th>
<th>Consideration</th>
<th>Pre-emptive rights</th>
<th>Expiration date</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 230,400,000</td>
<td>Cash</td>
<td>May be excluded pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act</td>
<td>April 30, 2016</td>
</tr>
<tr>
<td>€ 230,400,000</td>
<td>Cash or noncash</td>
<td>May be excluded if the capital increase is for noncash consideration with the intent of acquiring a company or holdings in a company</td>
<td>April 30, 2016</td>
</tr>
<tr>
<td>€ 691,200,000</td>
<td>Cash</td>
<td>May not be excluded</td>
<td>April 30, 2016</td>
</tr>
</tbody>
</table>

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.
The Annual General Meeting of May 27, 2010 authorized the Management Board pursuant to Section 71 (1) No. 7 of the Stock Corporation Act to buy and sell, for the purpose of securities trading, own shares of Deutsche Bank AG on or before November 30, 2014, at prices which do not exceed or fall short of the average of the share prices (closing auction prices of the Deutsche Bank 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 by more than 10 %. In this context, the shares acquired for this purpose may not, at the end of any day, exceed 5 % of the share capital of Deutsche Bank AG.

The Annual General Meeting of May 31, 2012 authorized the Management Board pursuant to Section 71 (1) No. 8 of the Stock Corporation Act to buy, on or before November 30, 2016, own shares of Deutsche Bank AG in a total volume of up to 10 % of the present share capital. Together with 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 Stock Corporation Act, the own shares purchased on the basis of this authorization may not at any time exceed 10 % of the company’s 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 lower than the average of the share prices (closing auction prices of the Deutsche Bank 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 lower than the average of the share prices (closing auction prices of the Deutsche Bank 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 has also been 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 Stock Corporation Act in a way other than through the stock exchange or by an offer to all shareholders, provided this is done against contribution-in-kind and excluding shareholders’ pre-emptive rights for the purpose of acquiring companies or shareholdings in companies. In addition, the Management Board has been authorized, in case it disposes of such own shares by offer to all shareholders, to grant to the holders of the option rights, convertible bonds and convertible participatory rights issued by the company and its affiliated companies pre-emptive rights to the extent to which 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 has also been authorized with the exclusion of shareholders’ pre-emptive rights to use such own shares to issue staff shares 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 non-executive management bodies of the company and of affiliated companies.

Furthermore, the Management Board has been 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

<table>
<thead>
<tr>
<th>Contingent capital</th>
<th>Expiration date for the issuance of conversion and/or option rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 230,400,000</td>
<td>April 30, 2015</td>
</tr>
<tr>
<td>€ 230,400,000</td>
<td>April 30, 2016</td>
</tr>
<tr>
<td>€ 230,400,000</td>
<td>April 30, 2017</td>
</tr>
</tbody>
</table>
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 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 bond 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 Stock Corporation Act.

The Management Board has also been 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.

The Annual General Meeting of May 31, 2012 authorized the Management Board pursuant to Section 71 (1) No. 8 of the Stock Corporation Act to execute the purchase of shares under the resolved authorization also with the use of put and call options or forward purchase contracts. The company may accordingly 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 maturities of the options must end no later than on November 30, 2016.

The purchase price to be paid for the shares upon exercise of the put options or upon the maturity of the forward purchase may not exceed more than 10% or fall below 10% of the average of the share prices (closing auction prices of the Deutsche Bank 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 option transaction in each case excluding ancillary purchase costs but taking into account the option premium received or paid. The call option 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 Deutsche Bank 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.

To the sale and cancellation of shares acquired with the use of derivatives the general rules established by the General Meeting apply.

**Significant Agreements which Take Effect, Alter or Terminate upon a Change of Control of the Company Following a Takeover Bid**

Significant agreements which take effect, alter or terminate upon a change of control of the company following a takeover bid have not been entered into.

**Agreements for Compensation in Case of a Takeover Bid**

If a member of the Management Board leaves the bank within the scope of a change of control, he receives a one-off compensation payment described in greater detail in the following Compensation Report.

If the employment relationship with certain executives with global or strategically important responsibility is terminated within a defined period within the scope of a change of control, without a reason for which the executives are responsible, or if these executives terminate their employment relationship because the company has taken certain measures leading to reduced responsibilities, the executives are entitled to a severance payment. The calculation of the severance payment is, in principle, based on 1.5 times to 2.5 times the total annual remuneration (base salary as well as variable – cash and equity-based – compensation) granted before change of control. Here, the development of total remuneration in the three calendar years before change of control is taken into consideration accordingly.
Compensation Report

Introduction

The Compensation Report in prior years provided information on the underlying principles and the amount of compensation of only the members of the Management Board of Deutsche Bank AG. For the 2012 financial year, however, in order to promote greater transparency with regards to overall Group compensation, the information and disclosures required under the German regulation on the supervisory requirements for compensation systems of banks ("InstitutsVergV") have been consolidated into the report.

The full report now comprises the following sections:

— Group compensation overview and disclosure
— Management Board report and disclosure
— Senior Management Group
— Employees regulated under the InstitutsVergV
— Compensation System for Supervisory Board Members

The report complies with the requirements of Section 314 (1) No. 6 of the German Commercial Code ("HGB"), the German Accounting Standard No. 17 "Reporting on Executive Body Remuneration", the InstitutsVergV and the recommendations of the German Corporate Governance Code.

Group compensation overview and disclosure

The evolution of compensation practices and culture was placed firmly at the forefront of our commitments during 2012. It is widely perceived that certain aspects of compensation across the financial services industry should be addressed in the context of the current regulatory and macroeconomic environment, including impacts and lessons learned from the 2007 financial crisis. During the Investor Day in September 2012, we committed to taking specific and innovative actions in this regard which we have initiated, and in some instances already delivered, during the intervening period. For the first time we have asked senior professionals from outside the industry to assist us with their expertise and independent view in order to further improve our compensation practices. More information on the Independent Compensation Review Panel (ICRP) and how they have influenced compensation practices can be found in the subsequent sections of the report.

Our compensation governance structure, principles and policies have been the focus of continuous improvement in recent years. Many of these enhancements have been aligned with the introduction and oversight of new specific compensation regulations. In 2012, however, we have consciously taken the decision to step away from and go beyond the existing requirements with the clear intention to lead what is hoped will be a cultural change across the industry. These enhancements are addressed in the following report.

This section focuses on our compensation philosophy, policy and governance structures at a Group level and addresses the Section 7 group disclosure requirements under the InstitutsVergV. Specific information and disclosures with respect to the Management Board and other defined employee populations is included in subsequent sections.
Independent Compensation Review Panel

In September 2012 we announced our intention to convene an independent panel comprised of senior, highly regarded professionals with extensive experience from both industry and high public office. The clear intention was to seek an objective view of our existing compensation policies and processes, assess how these compared to industry best practice and formulate core principles and minimum standards for future structures and practices. Furthermore, we sought assistance in defining appropriate levels of transparency and disclosure in relation to compensation.

In October 2012 membership of the panel was announced.

Dr. Jürgen Hambrecht (Chair) – former CEO of BASF
Michael Dobson – CEO of Schroders
Morris W. Offit – Chairman of Offit Capital and Independent Director of AIG
Dr. Michael Otto – Chairman of the Supervisory Board of Otto Group
Dr. Theo Waigel – former Federal Minister of Finance for Germany

The panel followed a specific work plan leading up to the end of 2012 and continuing in 2013, working stringently towards their objectives and final recommendations. Preliminary conclusions are evident in the Compensation Report, particularly with regards to increased levels of transparency and disclosure but also the recommendation to adjust slightly the focus of compensation structures for the most senior employees and work towards more competitive levels of compensation deferred. The full recommendations from the panel will be finalised in 2013. Specific references to the panel recommendations are made in the following sections where applicable.

Compensation Philosophy and Principles

Deutsche Bank is a truly global organization operating in all regions across the world. We operate and strongly support a “One Bank” approach in relation to compensation to ensure employees are globally governed under the same principles, policy and procedures. This ensures a fully transparent, balanced and equitable approach to compensation.

The following core remuneration principles which were already introduced in 2010 apply globally and form the backbone of our compensation practices:

— align compensation to shareholder interests and sustained firm-wide profitability, taking account of risk and the cost of capital;
— comply with regulatory requirements;
— maximize employee and firm performance;
— attract and retain the best talents;
— calibrate to different divisions and levels of responsibility;
— have simple and transparent compensation design.
The principles are fully aligned with and build on our following core values which underpin and shape the work we do:

— Performance;
— Trust;
— Teamwork;
— Innovation;
— Client Focus.

Complete focus on and dedication to clients is an imperative for building on and maintaining our success. Customers must be placed at the centre of our activities and drive all that we seek to achieve. Looking forward in 2013, this key objective will play an even greater role and will form one of the core principles reflected in new performance standards. Our Passion to Perform is driven by dedicated Client Focus and reinforced through delivering excellence and building long-term trusted relationships.

Within this wider context, we strongly believe that defined standards for compensation help to establish a direct relationship between the incentives for performance and the longer-term success of the firm. Compensation should reflect the success of the Bank as a whole but equally also account for the contributions made at a divisional and individual level. Discouragement of excessive risk taking forms an integral part of our compensation policy and this is both accompanied and supported by a management culture which is built on and guided by strong risk management, sound judgment, stable processes and effective controls.

We continually seek to reform and improve our compensation policies, practices and cultural direction through ongoing review processes. Our compensation policy is framed by the specific requirements of our home regulator, the Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”). In particular, the InstitutsVergV which came into effect in 2010 is the primary compensation regulation requirement applicable to us on a Group-wide basis.

We are also subject to specific local regulations in certain jurisdictions and continue to pro-actively engage with regulators to ensure compliance with these to the extent they differ from the InstitutsVergV. A consistent global approach to compensation regulation appears unlikely in the near future, however, we continue to promote the merits of a level playing field across the industry in this respect. Strong, purposeful and targeted regulation is important to underpin sound risk management policies by firms.

**Governance Structure**

We operate a Global Reward Governance Structure within the German Two Tier Board Structure which oversees all aspects of compensation and compliance with the global regulatory requirements. For the Management Board, the Governance Structure is led solely by the Supervisory Board. The Senior Executive Compensation Committee (“SECC”) oversees compensation related decisions for all other employees in the Group. The SECC is specifically tasked by the Management Board to:

— develop sustainable compensation principles and prepare recommendations on compensation and bonus levels including allocation to employees;
— ensure appropriate compensation governance and oversight.

The SECC is co-chaired by Stefan Krause (Chief Financial Officer) and Dr. Stephan Leithner (Chief Executive Officer Europe (except Germany and UK), Human Resources, Legal & Compliance, Government & Regulatory Affairs), both of whom are members of the Management Board, and also includes senior employees from Risk, Finance and Human Resources. No employees aligned to any of our business divisions are members of the SECC in order to ensure its independence.
The SECC is supported by two sub-committees, each responsible for specific aspects of our governance requirements.

The Group Compensation Oversight Committee ("GCOC") reviews divisional compensation frameworks and ensures that the frameworks and practices comply with both our compensation principles and policies and all external regulatory requirements. This compliance includes taking into account sound measurements and metrics on: the financial performance of the Group and the respective divisions, the inherent risk profiles based on the different types of risk (i.e. operational, market, liquidity, reputational, regulatory and credit risk) and adherence to Compliance policies.

The GCOC has made a number of enhancements to the requirements it places upon the divisional compensation committees during 2012. These include the requirement, where applicable, for sub-divisional compensation frameworks in order to further integrate the use of business specific metrics and information into the compensation decision making process. Furthermore, the written documentation requirements required of senior managers to support Variable Compensation decisions have been significantly enhanced.

The Group Compensation Review Committee’s ("GCRC") main responsibilities include operating an effective framework of compensation components and policies, approving new plans and changes to existing plans and reviewing our current and future liabilities related to compensation plans, in particular with regards to equity or equity-based components.
Fundamental Compensation Structure and Components

We operate a Total Compensation philosophy for all staff globally. Total Compensation is made up of fixed (salary and any applicable allowances) and Variable Compensation. Variable Compensation awards are generally discretionary and are determined in accordance with the performance of the employee, their respective division and the Group as a whole.

Variable Compensation is used as a tool to incentivize and reward high performing employees and furthermore, through the deferral of awards, ensure part of the compensation of senior employees is aligned to their own and the Group's future performance. A Group-wide matrix is operated in order to determine the amount of any Variable Compensation that is deferred.

As an interim recommendation, the Independent Compensation Review Panel indicated that we should focus on deferral of Variable Compensation for our most senior employees and where possible reduce overall deferrals, thus reducing the compensation cost for future years. The deferral threshold was set at € 100,000 from which point 50 % of Variable Compensation was deferred. The overall amount deferred increased as the value of Variable Compensation increased.

As part of the focus on aligning senior employee compensation to future performance, 100 % of any Variable Compensation award above € 1 million was deferred. As a result of this and the overall deferral matrix, the maximum immediate cash payment was limited to € 300,000.

Increasing the deferral threshold to € 100,000 whilst retaining an overall cash cap ensured we achieved our objective of focusing on senior employees. More junior employees were subject to lower deferrals than 2011 whilst our most senior employees were still subject to a cash cap and deferral levels remained high in comparison to the majority of industry peers.

In accordance with the InstitutsVergV 50 % of the non-deferred Variable Compensation for any employees covered by this regulation (in the following referred to as “Regulated Employees”) is required to be awarded in equity and subject to a retention period. On this basis, Regulated Employees with Variable Compensation of € 1 million or above were subject to a minimum effective deferral rate of 85 % and cash payment cap of € 150,000. This deferral rate is considerably higher than the requirements under the Capital Requirements Directive III and the InstitutsVergV. Furthermore, at this time there is no requirement to put a maximum limit on the amount of the non-deferred Variable Compensation. Both measures have been voluntarily implemented by us.

Deferral structures and vehicles

Whilst we operate a global compensation policy, it is important that specific employee populations can be identified, and where necessary steps taken to structure certain aspects of compensation accordingly. The illustration below identifies the four main categories of employees at Deutsche Bank Group who have received a deferred compensation award for 2012. Further detailed information on the Management Board, Senior Management Group and further Regulated Employees is set out in subsequent sections of the report.
All employees with a 2012 deferred Variable Compensation award received 50 % of the deferred award in the form of equity and 50 % in deferred cash.

**Restricted Equity Awards**

The portion of deferred Variable Compensation that is equity-based is granted in the form of a conditional entitlement to the future delivery of shares (a Restricted Equity Award “REA”). REAs are governed by the Deutsche Bank Equity Plan, under which employees are granted the right to receive Deutsche Bank shares after a specified period of time. The value of the REAs is subject to the performance of the Deutsche Bank share price over the pre-defined vesting and (where applicable) retention period and is thus linked to the sustained development of long-term value. Participants in the Deutsche Bank Equity Plan are not entitled to receive actual dividends until the shares are delivered to them.

The vesting period and forfeiture provisions for the REA vary across the different groups of employees in the diagram above. The Management Board and Senior Management Group are subject to a newly introduced four and a half year cliff vesting period followed by a further six-month retention period (during which time the shares cannot be sold). All other Regulated Employees are subject to a three-year pro rata vesting period with a further six-month retention period following the vesting of each tranche. All remaining employees with a deferred award are subject to a three year pro rata vesting period. A 5 % premium award is applicable for all employees (excluding the Senior Management Group and Management Board) to reflect the fact that the award does not attract dividends during the vesting period. A dividend equivalent based on the dividend paid and share price on the dividend payment date applies to the Management Board and Senior Management Group.
Restricted Incentive Awards

The non equity based portion of deferred Variable Compensation is granted as deferred cash compensation (Restricted Incentive Award “RIA”). RIAs are granted on the basis of the Deutsche Bank Restricted Incentive Plan. The RIA is subject to a minimum three-year pro-rata vesting period during which time specific forfeiture provisions apply. A 2 % premium award is applicable for all beneficiaries in recognition that the award does not attract interest.

Equity Upfront Awards

As per REAs, Equity Upfront Awards (“EUA”) are granted and governed under the Deutsche Bank Equity Plan. Accordingly, EUAs represent a conditional entitlement to the future delivery of shares. The value of the EUA is subject to the performance of the Deutsche Bank share price over the pre-defined retention period and is thus linked to a sustained development. Participants in the Deutsche Bank Equity Plan are not entitled to receive actual dividends until the shares are delivered to them. As required under the InstitutsVergV, for all Regulated Employees, 50 % of the remaining non-deferred Variable Compensation (after the percentage deferred is calculated) is awarded in the form of EUA and subject to a retention period of six months (three years for Management Board members). A dividend equivalent based on the dividend paid and share price on the dividend payment date applies during the retention period.

A consolidated summary of the vesting periods for each award type across the employee populations identified is set out below. Further detailed information is provided in the specific sections addressing compensation for the Management Board, Regulated Employees and Senior Management Group.
Vesting periods for each award type and population

<table>
<thead>
<tr>
<th>Award Type</th>
<th>Grant year</th>
<th>1st subsequent year</th>
<th>2nd subsequent year</th>
<th>3rd subsequent year</th>
<th>4th subsequent year</th>
<th>5th subsequent year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upfront Cash</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Upfront Awards (nb 1)</td>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Incentive Awards</td>
<td>25%</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Restricted Equity Awards (nb 2)</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
<td>33%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

- Management Board
- Senior Management Group
- Further Regulated Employees
- Non-regulated employees with a deferred award

Nb 1: The Equity Upfront Awards are subject to a six-month retention period (with the exception of the Management Board for whom a three-year retention period applies). The shares are released after this period.

Nb 2: The full number of Restricted Equity Awards granted to the members of the Management Board and the Senior Management Group is delivered after five years. This comprises a four and a half year vesting period and a six-month retention period. For further Regulated Employees a six-month retention period applies following the vesting of each tranche after which the shares are released.

Compensation and Risk Management

We are acutely aware of the importance of ensuring Variable Compensation pools are subject to appropriate risk adjustment measures.

Risk adjustment measures

Ex-ante Risk Adjustments
- Quantitative
  - Economic Capital
- Qualitative
  - Group/Divisional/Employee Performance
- Risk-adjusted Net Income before Bonus and Income Taxes
- Value at Risk

Ex-post Risk Adjustments
- Explicit
  - Quantitative performance metrics based on group and divisional performance
- Implicit
  - Share price movements for up to 5 year vesting/retention period
- Control Function input
- Individual performance forfeiture clawback
- Individual policy/regulatory breaches
- Red Flag reports
**Ex-ante risk adjustment measures**

To achieve appropriate ex-ante risk adjustments, we use an Economic Capital Model developed within the Risk function which is our primary method of calculating the degree of future potential risk to which we may be exposed.

The model measures the amount of capital the Group would need in order to absorb very severe unexpected losses arising from the Group’s exposures. "Very severe" in this context means that economic capital is set at a level to cover, with a probability of 99.98%, the aggregated unexpected losses within one year.

Ex-ante risk adjustment is initially employed at the Group level and is designed to reflect our risk exposure at the time of Variable Compensation allocation. Risk is considered by reviewing risk-adjusted profit and loss prior to distributing divisional Variable Compensation pools. As the risk profile of the organization increases, the economic capital charge also increases, thereby driving down Group-wide economic profitability and, by extension, the amount of Variable Compensation awarded. After adjusting Net Income before Bonus and Income Taxes for economic capital at the Group-wide level, we determine risk adjusted bonus eligible Net Income before Bonus and Income Taxes as a basis for allocating Variable Compensation pools. Therefore, adjustments made at the Group-wide level are reflected in allocations made at all levels of the organization.

As a general rule, we capture all material risks within the four prime risk types of our economic capital framework (Credit, Market, Operational, and Business Risk). Other risks are mapped into the appropriate overarching risk type. Specific examples of risks captured within each of the sub-risk types are as follows:

**Credit Risk**
- counterparty risk, transfer risk, settlement risk;

**Market Risk**
- trading default risk, trading market risk, nontrading market risk;

**Operational Risk**
- legal risk, IT risk, staff risk, business continuity risk, vendor risk, transaction processing risk, financial reporting/recording risk, fiduciary service risk, real estate risk, security risk;

**Business Risk**
- strategic risk, tax risk.

**Ex-post risk adjustment measures**

Clawback provisions, pursuant to which we are entitled to forfeit compensation components previously awarded, represent a crucial aspect our governance process and act as a mechanism for ensuring that a substantial portion of Variable Compensation for senior employees remains subject to both future performance and conduct. We have utilized clawback provisions for a number of years and have once again enhanced the depth of the measures attached to 2012 deferred Variable Compensation awards.

The clawback provisions below have been applied to 2012 deferred Variable Compensation awards. The following table outlines which of the provisions apply to the specific employee populations. Where necessary, further information on the application of the clawbacks is provided in the sections addressing the Management Board, Regulated Employees and Senior Management Group.

**— Group clawback**

This clawback utilises positive Group Net Income Before Income Taxes as a performance condition for vesting in the full value of the REA and RIA granted for 2012. The performance condition is met only if Group Net Income Before Income Taxes is zero or greater. If Group Net Income Before Income Taxes is negative for any year during the vesting period, the performance condition will not be met and 100% of the REA and RIA tranches due to vest in respect of that year will be forfeited. For the Management Board and
Senior Management Group subject to the five year REA cliff vesting, if for any year during the vesting period the Group Net Income before Taxes is negative, 20 % of the award will be forfeited in respect of that year.

— Divisional clawback
This clawback utilises positive divisional Net Income before Income Taxes as a performance condition for vesting in the full value of the REA and RIA granted for 2012. The performance condition is met for individual employees only if their respective divisional Net Income before Income Taxes is not negative. If Net Income before Income Taxes is negative for any division during any year of the vesting period, the performance condition will not be met and 100 % of the REA and RIA tranches due to vest in respect of that year will be forfeited by all employees in the applicable division. For the Senior Management Group subject to the five-year REA cliff vesting, if for any year during the vesting period the divisional Net Income before Income Taxes is negative, 20 % of the award will be forfeited in respect of that year. The divisional clawback measure does not apply to the Management Board or employees working in Regional Management or Infrastructure divisions.

— Performance Forfeiture clawback
This clawback puts an employee’s RIA and REA at risk into the future and allows us to determine whether adjustments may be necessary based on actual outcomes. Up to 100 % of an employee’s unvested awards can be clawed back in the event that we discover that the original award value was inappropriate because a performance measure is later deemed to be materially inaccurate or if a deal, trade or transaction considered to be attributable to the employee has a significant adverse effect on any Group entity, any Corporate Division or the Group. This clawback has been applied for the first time to REAs granted in respect of 2012 and represents an important governance enhancement.

— Policy/Regulatory Breach clawback
All of our long-term compensation plans contain a behavioral clawback, which includes provisions providing for the forfeiture of all unvested and unpaid compensation if an employee is terminated for misconduct, including but not limited to, dishonesty, fraud, misrepresentation or breach of trust. An award may be clawed back for an internal policy or procedure breach or breach of any applicable laws or regulations imposed other than by us. Specific tranches of an award may also be forfeited where it is determined that a policy breach has occurred, however the disciplinary sanctions fall short of termination for Cause.

Application of clawbacks to different employee populations

<table>
<thead>
<tr>
<th>Management Board</th>
<th>Group clawback</th>
<th>Divisional clawback</th>
<th>Performance Forfeiture clawback</th>
<th>Policy/Regulatory Breach clawback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management Group</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>further Regulated Employees</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>non-regulated employees with a deferred award</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

1 Only applies for employees working in front office business divisions.

In addition to these specific clawbacks, a number of other provisions are included in the relevant plan rules which facilitate the forfeiture of deferred awards for all employees. These include (but are not limited to):

— voluntary termination of employment;
— termination for Cause;
— solicitation of customers, clients or Deutsche Bank Group employees;
— disclosure or usage of proprietary information;
— provision of similar, related or competitive services to other financial services companies following retirement, career retirement or public service retirement.
Hedging
All employees with deferred awards are not permitted to limit or cancel out the risk in connection with their compensation through hedging or other countermeasures. Any such action is deemed a breach of policy and will result in the full forfeiture of awards.

Compensation Disclosure pursuant to Section 7 InstitutsVergV
2012 Variable Compensation awards (which exclude charges for prior year deferrals but include current year awards vesting in the future) were € 3.166 billion in total. With regards to the underlying award structures we refer to the detailed descriptions provided in this report. The Group-wide deferral ratio was 47 % compared to 61 % in 2011.

Variable Compensation and deferral rates

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash</th>
<th>Deferred</th>
<th>Total Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2.1</td>
<td>2.1</td>
<td>4.8</td>
</tr>
<tr>
<td>2010</td>
<td>2.1</td>
<td>2.2</td>
<td>4.3</td>
</tr>
<tr>
<td>2011</td>
<td>2.2</td>
<td>1.4</td>
<td>3.6</td>
</tr>
<tr>
<td>2012</td>
<td>2.2</td>
<td>1.4</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Cash: Fixed Compensation + Variable Compensation
Deferred: Deferral rate (i.e. the proportion of the total Variable Compensation that is delivered in deferred awards)

All figures in the above table include the allocation of Infrastructure related compensation or number of employees according to our established cost allocation key.
Amortisation of deferred variable compensation awards

As of December 31, 2012, including awards granted in early February 2013, unamortized deferred variable compensation costs amount to approximately € 2.8 billion.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash awards granted before January 1, 2013</td>
<td>705</td>
<td>945</td>
<td>1,092</td>
<td>415</td>
<td>171</td>
<td>47</td>
<td>0</td>
<td>–</td>
<td>–</td>
<td>633</td>
</tr>
<tr>
<td>Share-based awards granted before January 1, 2013</td>
<td>1,057</td>
<td>1,164</td>
<td>1,045</td>
<td>429</td>
<td>150</td>
<td>20</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>600</td>
</tr>
<tr>
<td>Cash awards granted in early 2013</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>321</td>
<td>231</td>
<td>106</td>
<td>26</td>
<td>–</td>
<td>–</td>
<td>684</td>
</tr>
<tr>
<td>Share-based awards granted in early 2013</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>473</td>
<td>232</td>
<td>112</td>
<td>36</td>
<td>12</td>
<td>1</td>
<td>866</td>
</tr>
<tr>
<td>Total</td>
<td>1,762</td>
<td>2,109</td>
<td>2,137</td>
<td>1,638</td>
<td>784</td>
<td>285</td>
<td>63</td>
<td>12</td>
<td>1</td>
<td>2,783</td>
</tr>
</tbody>
</table>

1 Includes severance and restructuring expense covering the acceleration of deferred compensation awards not yet amortized due to the discontinuation of employment.
2 Excludes future grants and forfeitures.
3 Thereof € 893 million in the first half of 2013.

Management Board Report and Disclosure

Principles of the Compensation System for Management Board Members

In May 2012 the compensation system was presented and approved by a majority vote of 94 % at the Annual General Meeting on the basis of the Compensation Report applicable at the time. However, as part of their mandate the ICRP is also reviewing the current compensation system with the endorsement of the Supervisory Board.
Responsibility
The Supervisory Board is responsible for determining the individual amounts of compensation for the Management Board members. The Chairman’s Committee supports the Supervisory Board in the process. It advises the Supervisory Board on all issues in connection with the compensation of the members of the Management Board and prepares all of the resolutions on the compensation system and on the determination of the individual compensation of each Management Board member.

The Chairman’s Committee of the Supervisory Board comprises a total of four members, of which two are representatives of the Group’s employees. The Chairman’s Committee held regular meetings in 2012 and continues to do so in 2013. Most recently it prepared the decision on how the amount of the Variable Compensation for the members of the Management Board for the financial year 2012 is to be assessed.

Principles
The compensation structure for the members of the Management Board takes into account all of the applicable statutory and regulatory requirements. As divergent requirements have been established around the world, numerous aspects must be considered, and therefore the requirements placed on such a system are increasingly extensive and complex.

When designing the structure of the compensation system, determining compensation amounts and structuring its delivery, the focus is set on ensuring a close link between the interests of both the Management Board members and shareholders. This is achieved through the utilization of specific key financial figures which have a connection to the performance of the Deutsche Bank share price and granting compensation elements that are equity-based. The equity-based compensation components are directly linked to the performance of the Deutsche Bank share price and only become eligible for payment over a period of several years. Our performance compared with other companies in the market is a further important criterion for the structuring and determination of compensation.

Furthermore, the compensation system is aligned with performance and success targets. Particular emphasis is attached to our long-term focus, as well as appropriateness and sustainability measures. The compensation system is structured to ensure members of the Management Board are motivated to avoid unreasonably high risks, to achieve the objectives set out in our strategies and to continuously work towards the positive development of the Group.

Compensation for the Management Board members is determined on the basis of several criteria. These include our overall results as well as the relative performance of the Deutsche Bank share price in comparison to selected peer institutions. Within the framework, the Supervisory Board specifically takes into account risk aspects and contributions to our success by the respective organizational unit as well as by the individual Management Board members themselves. Both financial and non-financial parameters are considered when assessing performance. This procedure also fulfills regulatory requirements by going beyond a purely formula-based assessment. Most of the Variable Compensation components are determined on the basis of a multi-year assessment in order to avoid limiting the assessment of business performance to a single year only.

The Supervisory Board regularly reviews the compensation framework for Management Board members with due consideration to market trends and changing legal and regulatory requirements. If the Supervisory Board considers a change to be required, it will adjust the framework accordingly. In the context of this review and the determination of the Variable Compensation, the Supervisory Board uses the expertise of independent external compensation and, if necessary, legal consultants.

Compensation Structure
The compensation structure approved by the Supervisory Board for the individual Management Board members is reflected in their contractual agreements. The compensation is divided into both non-performance-related and performance-related components.
Non-Performance-Related Components
The non-performance-related components primarily comprise the base salary, which is paid in twelve equal monthly payments. In 2012, the annual base salary of the ordinary Management Board members remained unchanged to the previous year. The last adjustment to the base salaries of the two Co-Chairmen took effect as of June 1, 2012. The annual amounts are as follows:

<table>
<thead>
<tr>
<th>in €</th>
<th>January – May</th>
<th>June – December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman/Co-Chairmen</td>
<td>1,650,000</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Ordinary Board Members</td>
<td>1,150,000</td>
<td>1,150,000</td>
</tr>
</tbody>
</table>

¹ Refers to Dr. Ackermann until May 2012.

Additional non-performance-related components include other benefits, which comprise the monetary value of non-cash benefits such as company cars and driver, 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.

Performance-Related Components (Variable Compensation)
Variable Compensation is performance-related. It consists of two components; a bonus and a Long-Term Performance Award. Effective from June 2012 and in line with the appointment of Mr. Jain as Co-Chairman of the Management Board, his entitlement to receive the Division Incentive compensation component related to his responsibility for the CB&S was removed.

Bonus
The total bonus is determined on the basis of two components (bonus components 1 and 2). Their levels depend on the development of the return on equity (based on income before income tax), which is a key factor influencing the share price performance. The first component of the bonus is determined through a comparison of the planned and actually achieved return on equity. The second component of the bonus is based on the actually achieved return on equity. The two components are each assessed over a two-year period: the year for which the bonus is determined and the preceding year. This ensures that the assessment is based not just on a short-term development of the return on equity.

The total bonus to be granted is calculated on the basis of a total target figure. In connection with the new composition of the Management Board effective from June 1, 2012 the total target figures were amended. The individual annual total target figures for an ordinary Management Board member and for the Management Board Chairman/Co-Chairmen in 2012 are as follows:

<table>
<thead>
<tr>
<th>in €</th>
<th>January – May</th>
<th>June – December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonus Target (total)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman/Co-Chairmen</td>
<td>4,000,000</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Ordinary Board Members</td>
<td>1,150,000</td>
<td>1,150,000</td>
</tr>
</tbody>
</table>

The total target figure is divided in half into the two components specified above (target figures 1 and 2). The target figures 1 and 2 are each multiplied with an annually calculated factor (factors 1 and 2) to calculate the respective bonus components 1 and 2.

The calculated total bonus is determined as follows.

\[
\text{Total Bonus} = \frac{\text{Target figure 1 x factor 1} + \text{Target figure 2 x factor 2}}{2}
\]

The level of factor 1, which is used for calculating bonus component 1, is determined on the basis of the actually achieved return on equity of a given year as a ratio of the plan figure defined for that year. The ratio result-
ing from this is the level of achievement, which is calculated as described above for two consecutive years. If the actually achieved return on equity is negative for a given year, the level of achievement is set to zero. Factor 1 is the average of the levels of achievement calculated for the two years. The average of the levels of achievement for the two years being assessed must come to at least 50%. If it falls below this minimum level, the factor is set to zero and bonus component 1 is not granted. Bonus component 1 is linked to the level of factor 1, resulting in a corresponding linear increase or decrease starting from the target figure. There is an upper limit that is set at 150% of the target figure.

Factor 2 is determined on the basis of the actually achieved return on equity over a two-year period. The initial basis is an annual return on equity of 18%. If this figure is achieved, it is linked to a multiplier of 1.0. For each percentage point of deviation, upwards or downwards, the multiplier is increased or reduced in steps of 0.05; in the process, intermediate values are calculated as well. The multiplier can amount to a maximum of 1.5, which corresponds to a return on equity of 28% or more. In contrast, if the return on equity falls below a minimum level of 4%, the multiplier is zero. To determine factor 2, the average is formed from the multipliers of the two assessment years and has to amount to a minimum of 0.5.

The two bonus components are added together, resulting in a total bonus. If, for example, the factors for the two bonus components are 1.0 each, the total bonus amounts to the respective total target figure. The calculated total bonus is capped at 1.5 times the total target figure. If defined minimum levels are not reached for both of the bonus components, as described above, no bonus is paid.

The Supervisory Board carries out an additional assessment that can result in an increase or reduction of the calculated total bonus amount. The objective is to adequately take additional quantitative and qualitative factors into account, for example, revenue contributions, the individual contributions to performance, or risk-related factors in light of regulatory requirements. Until May 31, 2012, the exercised discretion was limited to an increase or reduction by up to 50% of the calculated total bonus amount for all Management Board members. With effect from June 1, 2012, the Supervisory Board revised the rules governing discretion allowing them to sanction an increase or reduction of up to 50% of the calculated total bonus amount for an ordinary Management Board member and an increase of up to 150% or reduction of up to 100% for the Management Board Co-Chairmen. As a result, under the most favorable conditions effective from June 1, 2012, the total bonus can amount to a maximum of 2.25 times the total target figure for an ordinary Management Board member and of 3.75 for the Management Board Co-Chairmen.

The following chart shows the level of factor 1 depending on the level of achievement calculated according to the method described above and the respective target level achievement in 2012 and 2011.

### Bonus component 1

<table>
<thead>
<tr>
<th>Factor</th>
<th>Level of achievement (actual/plan comparison) in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

2011 (factor = 0.6107)

2012 (factor = 0)

2012 (level of achievement = 48.96 %)

2011 (level of achievement = 61.07 %)

<table>
<thead>
<tr>
<th>Level of achievement</th>
<th>(2-year average)</th>
</tr>
</thead>
</table>

1) The 2012 level of achievement is below 50% and so the factor is set to zero.
The following chart shows the level of the multiplier depending on the actually achieved return on equity for a given year and the respective target level achievement in 2012 and 2011.

**Bonus component 2**

<table>
<thead>
<tr>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.5</td>
</tr>
<tr>
<td>1.0</td>
</tr>
<tr>
<td>0.5</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

0 4 8 12 16 20 24 28 32 36 Actual RoE of a year in%

2011 (0.6370)
2012 (0.3340)

For compensation purposes the Supervisory Board decided to adjust the 2012 return on equity (RoE) by excluding significant goodwill and intangible impairment charges that were incurred in that year. However, as a result the calculated factors for both bonus components were below the relevant threshold of 0.5 each; accordingly no bonus was to be granted for the 2012 financial year. In this respect there was also no basis for any discretion to be exercised by the Supervisory Board.

Factor 1 for bonus component 1 and factor 2 for bonus component 2 were determined as follows:

**Metric for factor 1: 2-year average of Actual RoE versus Plan RoE 2011/2012**

\[
\frac{\text{Actual RoE 2011}}{\text{Plan RoE 2011}} + \frac{\text{Actual RoE 2012}}{\text{Plan RoE 2012}} = 0.4896 \quad (2011: 0.6107)
\]

**Metric for factor 2: 2-year average of Actual RoE for 2011/2012**

\[
\frac{\text{Multiplier derived from Actual RoE 2011}}{2} + \frac{\text{Multiplier derived from Actual RoE 2012}}{2} = 0.4855 \quad (2011: 0.6368)
\]

**Long-Term Performance Award**

The level of the Long-Term Performance Award (LTPA) is tied to the total shareholder return of Deutsche Bank in relation to the average total shareholder returns of a select group of six comparable leading banks (calculated in Euro). The result thereof is the Relative Total Shareholder Return (RTSR). The LTPA is calculated from the average of the annual RTSR for the last three financial years (reporting year and the two preceding years). The criteria used to select the peer group are generally comparable business activities, size and international presence.

The six leading banks are:
- Banco Santander and BNP Paribas (both from the eurozone),
- Barclays and Credit Suisse (both from Europe outside the eurozone), as well as
- JPMorgan Chase and Goldman Sachs (both from the US).
The LTPA for the Management Board members is determined on the basis of a pre-defined target figure multiplied by a percentage based on the achieved RTSR. The annual target figures for a Management Board member and for the Management Board Chairman/Co-Chairmen are as follows:

<table>
<thead>
<tr>
<th></th>
<th>January – May</th>
<th>June – December</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTPA Target (total)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chairman/Co-Chairmen</td>
<td>4,800,000</td>
<td>4,350,000</td>
</tr>
<tr>
<td>Ordinary Board Members</td>
<td>2,175,000</td>
<td>2,175,000</td>
</tr>
</tbody>
</table>

Like the bonus, the LTPA also has an upper limit (cap). If the three-year average of the RTSR is greater than 100 %, then the value of the LTPA increases proportionately to an upper limit of 125 % of the target figure. If the three-year average of the RTSR is lower than 100 %, however, the value declines disproportionately, as follows. If the RTSR is calculated to be between 90 % and 100 %, the value is reduced for each lower percentage point by three percentage points. The value is reduced by another two percentage points for each lower percentage point between 70 % and 90 %; and by another three percentage points for each percentage point under 70 %. If the three-year average does not exceed 60 %, no LTPA is granted.

This relation can be seen in the following chart.

The Relative Total Shareholder Return as the basis for the calculation of the LTPA in the year 2012 was about 86 % (2011: 111 %, 2010: 93 %). Thus, the average of the last three years (2010 until 2012) was about 96 %. Accordingly, the 2012 RTSR of rounded 96 % leads to a percentage factor of 88 %.

Division Incentive
For the business year 2012 Mr. Jain waived his contractual entitlement to payment of the Division Incentive which was approved by the Supervisory Board.

Long-Term Incentive/Sustainability
The total amount of the bonus and LTPA is granted primarily on a deferred basis and spread out over several years. This ensures a long-term incentive effect over a multi-year period.

According to the requirements of the InstitutsVergV at least 60 % of the total Variable Compensation must be granted on a deferred basis. Not less than half of this deferred portion comprises equity-based compensation components, while the remaining portion is granted as deferred cash compensation. Both compensation components are deferred over a multi-year period and subsequently followed by retention periods for the equity-based compensation components. 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 is granted on a non-deferred basis. However, at least half of this consists of equity-based compensation components and only the remaining portion is paid out directly in cash. Of the entire Variable Compensation, no more than a maximum of 20 % is paid out in cash immediately, while at least 80 % is paid or delivered at a later date.

The following chart shows the required structure of the Variable Compensation components according to the InstitutsVergV.

### Split / structure of Variable Compensation for the Management Board

<table>
<thead>
<tr>
<th>Component</th>
<th>Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variable Compensation</strong></td>
<td><strong>total</strong></td>
</tr>
<tr>
<td></td>
<td>max. 40 % immediate payment or delivery after retention period</td>
</tr>
<tr>
<td></td>
<td>min. 60 % payment or delivery deferred (and if applicable after retention period)</td>
</tr>
<tr>
<td><strong>Upfront Cash</strong></td>
<td>max. 50 %</td>
</tr>
<tr>
<td><strong>EUA</strong></td>
<td>min. 50 % equity-based retention period</td>
</tr>
<tr>
<td><strong>RIA</strong></td>
<td>max. 50 % cash deferred</td>
</tr>
<tr>
<td><strong>REA</strong></td>
<td>min. 50 % equity-based deferred retention period</td>
</tr>
</tbody>
</table>

**EUA** = Equity Upfront Awards  
**RIA** = Restricted Incentive Awards  
**REA** = Restricted Equity Awards

### Restricted Equity Awards
At least 50 % of the deferred Variable Compensation is comprised of an REA.

The 2012 REA vest in one tranche (cliff vest) approximately four and a half years after grant and are immediately subject to an additional retention period of six months. Accordingly, Management Board members are first permitted to dispose of the equities after approximately five years. Introducing a cliff rather than pro rata vesting schedule ensures the full award for each employee is subject to potential forfeiture throughout the entire vesting period rather than the potential forfeitable amount reducing after each annual tranche vesting.

The 2011 REA vest in four equal tranches. The first tranche vests approximately one and a half years after the granting of the awards in February 2012. The remaining tranches each subsequently vest in regular intervals of one additional year. After the individual tranches vest, they are subject to an additional retention period. The additional retention period of the first tranche is three years, two years for the second tranche, and one year for the third and fourth tranches.

### Restricted Incentive Awards
The RIA comprise a maximum 50 % of the deferred Variable Compensation and vest in four equal tranches. The first tranche vests approximately one and a half years after it is granted and the remaining tranches each
subsequently vest in intervals of one year. Payment takes place upon vesting. The deferred cash compensation is thus stretched out over a period of approximately four and a half years.

**Upfront Awards**

The Upfront Awards amount to a maximum of 40 % of the total Variable Compensation. However, no more than half of this is paid out in cash immediately (Upfront Cash). The remaining portion is granted as equity-based compensation in the form of an EUA and subject to a retention period of three years. Only after this retention period has ended may the awards be sold.

The following chart shows the payment date for the immediate cash compensation and the time period for the payment or the delivery of the other Variable Compensation components in the five consecutive years following the grant year.

**Timeframe for payment or delivery and non-forfeiture for the Management Board**

<table>
<thead>
<tr>
<th></th>
<th>1st subsequent year</th>
<th>2nd subsequent year</th>
<th>3rd subsequent year</th>
<th>4th subsequent year</th>
<th>5th subsequent year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upfront Cash</strong></td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity Upfront Awards</strong></td>
<td>100%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Restricted Incentive Awards</strong></td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td><strong>Restricted Equity Awards (granted for the financial year 2011)</strong></td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Restricted Equity Awards (granted for the financial year 2012)</strong></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

- Vesting and/or non-forfeiture, aligned with payment or delivery
- Vesting followed by a retention period until delivery; subject to individual forfeiture conditions during the retention period

As RIA do not bear interest prior to payment, a one-time premium is added upon grant (2012: 2 %, 2011: 5 %).

Equity-based awards (EUA and REA) granted for the financial year 2011 do not bear any entitlement to dividends until their delivery, so a one-time premium of 5 % was added upon grant.

In respect of the equity-based awards (EUA and REA) granted for the financial year 2012, the award premium has been replaced with a dividend equivalent to further align the Management Board’s interests to those of shareholders. The dividend equivalent is determined according to the following formula.

\[
\text{Actual dividend} \times \frac{\text{Deutsche Bank share price on date dividend is paid}}{\text{Number of share awards}}
\]
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 are applicable until vesting or the end of the retention periods. Awards may be fully or partially forfeited, for example, due to individual misconduct (including a breach of regulations) or to an extraordinary termination, 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. The forfeiture conditions are an essential aspect of the awards and ensure they are aligned with the long-term performance of both the Group and the individuals.

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.

Management Board Compensation

Base Salary
In 2012, the annual base salary of an ordinary Management Board member was € 1,150,000. The annual base salary of the Management Board Chairman was € 1,650,000 until May 31, 2012. The annual base salary of the Management Board Co-Chairmen was € 2,300,000 each from June 1, 2012.

Variable Compensation
The Supervisory Board, based on the proposal of the Chairman’s Committee, determined the Variable Compensation for the members of the Management Board for the 2012 financial year. The amounts of the bonuses and LTPAs were determined for all Management Board members on the basis of the existing compensation system.

Compensation (collectively and individually)
In accordance with the provisions of German Accounting Standard No. 17, the members of the Management Board collectively received in the 2012 financial year compensation for their service on the Management Board totaling € 23,681,498 (2011: € 27,323,672). Thereof, € 9,599,999 (2011: € 8,550,000) was for base salaries, € 1,402,936 (2011: € 879,591) for other benefits, € 11,396,439 (2011: € 17,194,081) for performance-related components with long-term incentives and € 1,282,124 (2011: € 700,000) for performance-related components without long-term incentives.

According to the German Accounting Standard No. 17, the Management Board members individually received the following compensation components for their service on the Management Board for or in the years 2012 and 2011.
The following should be noted with regard to the Restricted Incentive Awards in the presentation of the compensation amounts.

In accordance with German Accounting Standard 17, the Restricted Incentive Awards, as a deferred, non-equity-based compensation component subject to certain (forfeiture) conditions, must be recognized in the total compensation for the year of their payment (i.e. in the financial year in which the unconditional payment takes place) and not in the year they are originally granted. This means that the total compensation amounts presented only include the second tranche of the Restricted Incentive Awards (including an adjustment linked to our return on equity) granted in 2010 for the financial year 2009 totaling € 1,389,536 and the first tranche of the Restricted Incentive Awards granted in 2011 for the financial year 2010 totaling € 1,710,153. With respect to the previous year this means that the total compensation amounts presented above only include the first tranche of the Restricted Incentive Awards (including an adjustment linked to our return on equity) granted in 2010 for the financial year 2009 totaling € 1,377,202.

The following table provides details on the Restricted Incentive Awards, i.e. the cash-based awards, on an individualized basis awarded to the members in active service on the Management Board in 2012. The information shown presents the amounts paid in the financial year as well as the amounts originally granted along with the respective financial year the amounts were awarded for.
## Members of the Management Board

<table>
<thead>
<tr>
<th>Members of the Management Board</th>
<th>Allocation over periods/tranches</th>
<th>Amount awarded</th>
<th>Amount paid out in 2012</th>
<th>Amount paid out in 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Josef Ackermann*</td>
<td>2012 2014 to 2017 / 4</td>
<td>744,600</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2011 2013 to 2016 / 4</td>
<td>3,750,075</td>
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<tr>
<td></td>
<td>2010 2012 to 2015 / 4</td>
<td>2,534,089</td>
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<td>–</td>
</tr>
<tr>
<td></td>
<td>2009 2011 to 2013 / 3</td>
<td>1,925,000</td>
<td>669,347</td>
<td>693,139</td>
</tr>
<tr>
<td>Dr. Hugo Bänziger*</td>
<td>2012 2014 to 2017 / 4</td>
<td>269,217</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2011 2013 to 2016 / 4</td>
<td>1,424,883</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2010 2012 to 2015 / 4</td>
<td>824,399</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2009 2011 to 2013 / 3</td>
<td>268,575</td>
<td>97,572</td>
<td>96,706</td>
</tr>
<tr>
<td>Jürgen Fitschen</td>
<td>2012 2014 to 2017 / 4</td>
<td>1,392,555</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2011 2013 to 2016 / 4</td>
<td>1,424,883</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2010 2012 to 2015 / 4</td>
<td>799,770</td>
<td>199,943</td>
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</tr>
<tr>
<td></td>
<td>2009 2011 to 2013 / 3</td>
<td>201,431</td>
<td>73,179</td>
<td>72,530</td>
</tr>
<tr>
<td>Anshuman Jain</td>
<td>2012 2014 to 2017 / 4</td>
<td>1,392,555</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
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<td>2011 2013 to 2016 / 4</td>
<td>4,207,383</td>
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</tr>
<tr>
<td></td>
<td>2010 2012 to 2015 / 4</td>
<td>4,367,413</td>
<td>1,091,853</td>
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<td>2009 2011 to 2013 / 3</td>
<td>691,210</td>
<td>251,115</td>
<td>248,885</td>
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<tr>
<td>Stefan Krause</td>
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<td>823,140</td>
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<td>–</td>
</tr>
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<td>2011 2013 to 2016 / 4</td>
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<td>–</td>
</tr>
<tr>
<td></td>
<td>2010 2012 to 2015 / 4</td>
<td>849,029</td>
<td>212,257</td>
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<td></td>
<td>2009 2011 to 2013 / 3</td>
<td>268,575</td>
<td>97,572</td>
<td>96,706</td>
</tr>
<tr>
<td>Hermann-Josef Lambert*</td>
<td>2012 2014 to 2017 / 4</td>
<td>269,217</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2011 2013 to 2016 / 4</td>
<td>1,424,883</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2010 2012 to 2015 / 4</td>
<td>824,399</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2009 2011 to 2013 / 3</td>
<td>268,575</td>
<td>97,572</td>
<td>96,706</td>
</tr>
<tr>
<td>Dr. Stephan Leithner*</td>
<td>2012 2014 to 2017 / 4</td>
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<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Stuart Lewis</td>
<td>2012 2014 to 2017 / 4</td>
<td>480,165</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Rainer Neske</td>
<td>2012 2014 to 2017 / 4</td>
<td>823,140</td>
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<td>–</td>
</tr>
<tr>
<td></td>
<td>2011 2013 to 2016 / 4</td>
<td>1,424,883</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2010 2012 to 2015 / 4</td>
<td>824,399</td>
<td>206,100</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2009 2011 to 2013 / 3</td>
<td>201,431</td>
<td>73,179</td>
<td>72,530</td>
</tr>
<tr>
<td>Henry Ritchotte*</td>
<td>2012 2014 to 2017 / 4</td>
<td>480,165</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>2012 2014 to 2017 / 4</td>
<td>7,154,919</td>
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<tr>
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<td>2011 2013 to 2016 / 4</td>
<td>15,081,873</td>
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<td>1,710,153</td>
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<td></td>
<td>2009 2011 to 2013 / 3</td>
<td>3,824,797</td>
<td>1,389,536</td>
<td>1,377,202</td>
</tr>
</tbody>
</table>

1 Financial year the award was originally issued for (in regard to the service on the Management Board).
2 Number of equal tranches.
3 The Restricted Incentive Awards awarded for the 2009 financial year contain a variable component (RoE-linked adjustment) so that the disbursal, i.e. the amount paid out, in the context of the first two tranches differs from the amount originally awarded.
4 Member of the Management Board until May 31, 2012.
5 Member of the Management Board from June 1, 2012.

To add full transparency on the total awards granted to the Management Board members for the 2012 financial year the table below shows – in a deviation from the disclosure according to the German Accounting Standard No. 17 presented above – the compensation components determined by the Supervisory Board for the service of the Management Board members for the years 2012 and 2011.
### Members of the Management Board

#### Non-performance-related components

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td>€687,500</td>
<td>€1,650,000</td>
</tr>
<tr>
<td>immediately paid out</td>
<td>€150,000</td>
<td>€100,000</td>
</tr>
<tr>
<td>Restricted Incentive Award(s) granted</td>
<td>€744,600</td>
<td>€3,750,075</td>
</tr>
<tr>
<td>Equity Upfront Award(s) (with retention period)</td>
<td>€150,000</td>
<td>€105,000</td>
</tr>
<tr>
<td>Total</td>
<td>€730,000</td>
<td>€3,750,075</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td>€479,167</td>
<td>€1,150,000</td>
</tr>
<tr>
<td>immediately paid out</td>
<td>€134,812</td>
<td>€100,000</td>
</tr>
<tr>
<td>Restricted Incentive Award(s) granted</td>
<td>€269,217</td>
<td>€1,424,883</td>
</tr>
<tr>
<td>Equity Upfront Award(s) (with retention period)</td>
<td>€134,812</td>
<td>€105,000</td>
</tr>
<tr>
<td>Total</td>
<td>€1,424,884</td>
<td>€1,424,884</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td>€1,820,833</td>
<td>€1,150,000</td>
</tr>
<tr>
<td>immediately paid out</td>
<td>€150,000</td>
<td>€100,000</td>
</tr>
<tr>
<td>Restricted Incentive Award(s) granted</td>
<td>€1,392,555</td>
<td>€1,424,883</td>
</tr>
<tr>
<td>Equity Upfront Award(s) (with retention period)</td>
<td>€150,000</td>
<td>€105,000</td>
</tr>
<tr>
<td>Total</td>
<td>€1,365,250</td>
<td>€1,424,884</td>
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<th></th>
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<th>2011</th>
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<tbody>
<tr>
<td>Base salary</td>
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<td>€1,424,883</td>
</tr>
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<td>€1,392,555</td>
<td>€1,424,883</td>
</tr>
<tr>
<td>Equity Upfront Award(s) (with retention period)</td>
<td>€150,000</td>
<td>€105,000</td>
</tr>
<tr>
<td>Total</td>
<td>€4,204,767</td>
<td>€4,204,767</td>
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<table>
<thead>
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<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base salary</td>
<td>€670,833</td>
<td>€1,150,000</td>
</tr>
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<td>immediately paid out</td>
<td>€87,500</td>
<td>€100,000</td>
</tr>
<tr>
<td>Restricted Incentive Award(s) granted</td>
<td>€480,165</td>
<td>€1,424,883</td>
</tr>
<tr>
<td>Equity Upfront Award(s) (with retention period)</td>
<td>€87,500</td>
<td>€105,000</td>
</tr>
<tr>
<td>Total</td>
<td>€470,750</td>
<td>€1,424,884</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
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<td>€100,000</td>
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<td>€1,424,884</td>
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<td>€100,000</td>
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<tr>
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<td>€105,000</td>
</tr>
<tr>
<td>Total</td>
<td>€470,750</td>
<td>€1,424,884</td>
</tr>
</tbody>
</table>

1 Member of the Management Board until May 31, 2012.
2 Member of the Management Board from June 1, 2012.

The number of share awards in the form of Equity Upfront Awards (EUA) and Restricted Equity Awards (REA) granted in 2013 for the year 2012 to each member of the Management Board was determined by dividing the respective euro amounts by €38.525, the XETRA closing price of a Deutsche Bank share on February 1, 2013 (prior year: €34.04 on February 1, 2012).

As a result, the number of share awards granted was as follows (rounded).

### Members of the Management Board

<table>
<thead>
<tr>
<th>Units</th>
<th>Year</th>
<th>Equity Upfront Award(s) (with retention period)</th>
<th>Restricted Equity Award(s) (deferred with additional retention period)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Josef Ackermann</td>
<td>2012</td>
<td>3,893</td>
<td>18,948</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>3,084</td>
<td>110,166</td>
</tr>
<tr>
<td>Dr. Hugo Bänziger</td>
<td>2012</td>
<td>3,499</td>
<td>6,851</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>3,084</td>
<td>81,859</td>
</tr>
<tr>
<td>Jürgen Fitschen</td>
<td>2012</td>
<td>3,893</td>
<td>35,438</td>
</tr>
<tr>
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<td>2011</td>
<td>3,084</td>
<td>41,859</td>
</tr>
<tr>
<td>Anshuman Jain</td>
<td>2012</td>
<td>3,893</td>
<td>35,438</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>3,084</td>
<td>41,859</td>
</tr>
<tr>
<td>Stefan Krause</td>
<td>2012</td>
<td>3,893</td>
<td>20,947</td>
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<td></td>
<td>2011</td>
<td>3,084</td>
<td>41,859</td>
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<tr>
<td>Hermann-Josef Lamberti</td>
<td>2012</td>
<td>3,499</td>
<td>6,851</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>3,084</td>
<td>81,859</td>
</tr>
<tr>
<td>Dr. Stephan Leithner</td>
<td>2012</td>
<td>2,271</td>
<td>12,219</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>3,084</td>
<td>41,859</td>
</tr>
<tr>
<td>Stuart Lewis</td>
<td>2012</td>
<td>2,271</td>
<td>12,219</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>3,084</td>
<td>41,859</td>
</tr>
<tr>
<td>Rainer Nesper</td>
<td>2012</td>
<td>3,893</td>
<td>20,947</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>3,084</td>
<td>41,859</td>
</tr>
<tr>
<td>Henry Ritchotte</td>
<td>2012</td>
<td>2,271</td>
<td>12,219</td>
</tr>
</tbody>
</table>

1 Member of the Management Board until May 31, 2012.
2 Member of the Management Board from June 1, 2012.
The following table shows the non-performance-related other benefits for the 2012 and 2011 financial years.

<table>
<thead>
<tr>
<th>Members of the Management Board</th>
<th>Other benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Dr. Josef Ackermann†</td>
<td>88,372</td>
</tr>
<tr>
<td>Dr. Hugo Bänziger†</td>
<td>36,959</td>
</tr>
<tr>
<td>Jürgen Fitschen</td>
<td>240,044</td>
</tr>
<tr>
<td>Anshuman Jain</td>
<td>614,588</td>
</tr>
<tr>
<td>Stefan Krause</td>
<td>102,301</td>
</tr>
<tr>
<td>Hermann-Josef Lamberti†</td>
<td>42,664</td>
</tr>
<tr>
<td>Dr. Stephan Leithner*</td>
<td>72,601</td>
</tr>
<tr>
<td>Stuart Lewis*</td>
<td>71,187</td>
</tr>
<tr>
<td>Rainer Neske</td>
<td>127,543</td>
</tr>
<tr>
<td>Henry Ritchotte*</td>
<td>6,677</td>
</tr>
<tr>
<td>Total</td>
<td>1,402,936</td>
</tr>
</tbody>
</table>

† Member of the Management Board until May 31, 2012.
* Member of the Management Board from June 1, 2012.

Management Board members do not receive any compensation for mandates on boards of our subsidiaries.

Pension and transitional benefits

The Supervisory Board generally allocates an entitlement to the Management Board members to pension plan benefits. 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 6 % per year up to the age of 60. From the age of 61 onwards, the pension account is credited with an annual interest payment of 6 % up to the date of retirement. The annual payments, taken together, form the pension amount which is 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 beginning.

Dr. Ackermann, Dr. Bänziger and Mr. Lamberti are entitled to transition payments of 100 % of the sum of salary and total bonus (last total target figure) pro rata temporis for a period of six months after leaving office. Subsequently, Dr. Ackermann is entitled to a further transition payment of 75 % of the sum of salary and total bonus (last total target figure) for a period of 12 months. Based on the above entitlements, the transition payments made in 2012 were € 928,125 for Dr. Ackermann and € 575,000 each for Dr. Bänziger and Mr. Lamberti. Further amounts are due in 2013 and also for Dr. Ackermann in 2014.

Based on former contractual commitments Dr. Ackermann and Mr. Lamberti are entitled to a monthly pension payment of € 29,400 each after the end of the respective transition payment period.

The following table shows the annual service costs for pension benefits and transition payments for the years 2012 and 2011 and the corresponding defined benefit obligations each as of December 31, 2012 and December 31, 2011 for the individual members of the Management Board. The different sizes of the balances are due to the different lengths of service on the Management Board, the respective age-related factors, the different contribution rates as well as the individual pensionable compensation amounts and the previously mentioned additional individual entitlements.
Members of the Management Board

<table>
<thead>
<tr>
<th></th>
<th>Service cost for pension benefits and transition payments, in the year</th>
<th>Present value of the defined benefit obligation for pension benefits and transition payments, end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Dr. Josef Ackermann¹</td>
<td>405,581</td>
<td>876,760</td>
</tr>
<tr>
<td>Dr. Hugo Bänziger¹</td>
<td>303,183</td>
<td>508,011</td>
</tr>
<tr>
<td>Jürgen Fitschen</td>
<td>327,364</td>
<td>508,011</td>
</tr>
<tr>
<td>Anshuman Jain</td>
<td>412,524</td>
<td>565,984</td>
</tr>
<tr>
<td>Stefan Krause</td>
<td>550,439</td>
<td>1,345,800</td>
</tr>
<tr>
<td>Hermann-Josef Lambert¹</td>
<td>180,193</td>
<td>486,920</td>
</tr>
<tr>
<td>Dr. Stephan Leithner²</td>
<td>210,469</td>
<td>210,469</td>
</tr>
<tr>
<td>Stuart Lewis¹</td>
<td>209,385</td>
<td>209,385</td>
</tr>
<tr>
<td>Rainer Neske</td>
<td>560,153</td>
<td>1,066,022</td>
</tr>
<tr>
<td>Henry Ritchotte³</td>
<td>206,692</td>
<td>206,692</td>
</tr>
</tbody>
</table>

¹ Member of the Management Board until May 31, 2012.
² The respective obligations are part of the provisions for pension obligations to former members of the Management Board.
³ Member of the Management Board from June 1, 2012.

In connection with their exit from the Group Dr. Bänziger and Mr. Lamberti received a special contribution into their individual pension account. The amount of this contribution was € 688,422 for Dr. Bänziger and € 560,112 for Mr. Lamberti.

Other benefits upon premature termination

The Management Board members are in principle entitled to receive a severance payment upon a premature termination of their appointment at the bank’s initiative, provided 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 financial year.

If a Management Board member leaves office in connection with a change of control, they are also, under certain conditions, entitled in principle 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 again on the annual compensation for the previous financial year.

The severance payment mentioned above is determined by the Supervisory Board subject to 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.

In connection with their exit from the Group Dr. Bänziger and Mr. Lamberti received a severance payment based on a severance agreement concluded. The severance payment is € 7,756,000 for Dr. Bänziger and € 7,729,000 for Mr. Lamberti. In both cases the payment of the severance takes place in two installments, the second installment being subject to certain forfeiture conditions until vesting on May 31, 2013.
Expense for Long-Term Incentive Components

The following table presents the compensation expense recognized in the respective years for long-term incentive components of compensation not vested immediately, granted for service on the Management Board.

<table>
<thead>
<tr>
<th>Members of the Management Board</th>
<th>Share-based compensation components</th>
<th>Cash-based compensation components</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2011</td>
</tr>
<tr>
<td>Dr. Josef Ackermann(^1)</td>
<td>5,093,773</td>
<td>2,020,850</td>
</tr>
<tr>
<td>Dr. Hugo Bänziger(^1)</td>
<td>2,314,873</td>
<td>440,182</td>
</tr>
<tr>
<td>Jürgen Fitschen</td>
<td>967,516</td>
<td>309,459</td>
</tr>
<tr>
<td>Anshuman Jain</td>
<td>2,738,231</td>
<td>1,471,955</td>
</tr>
<tr>
<td>Stefan Krause</td>
<td>981,775</td>
<td>364,503</td>
</tr>
<tr>
<td>Hermann-Josef Lamberti(^1)</td>
<td>2,485,906</td>
<td>434,736</td>
</tr>
<tr>
<td>Rainer Neske</td>
<td>969,746</td>
<td>314,911</td>
</tr>
</tbody>
</table>

\(^1\) Member of the Management Board until May 31, 2012.

Management Board Share Ownership

As of March 28, 2013 and February 17, 2012 respectively, the current members of our Management Board held the following numbers of Deutsche Bank shares and share awards.

<table>
<thead>
<tr>
<th>Members of the Management Board</th>
<th>Number of shares</th>
<th>Number of share awards(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jürgen Fitschen</td>
<td>2013: 183,759</td>
<td>146,472</td>
</tr>
<tr>
<td></td>
<td>2012: 181,907</td>
<td>110,978</td>
</tr>
<tr>
<td>Anshuman Jain</td>
<td>2013: 572,701</td>
<td>344,875</td>
</tr>
<tr>
<td></td>
<td>2012: 552,697</td>
<td>346,703</td>
</tr>
<tr>
<td>Stefan Krause</td>
<td>2013: –</td>
<td>141,148</td>
</tr>
<tr>
<td></td>
<td>2012: –</td>
<td>116,307</td>
</tr>
<tr>
<td>Dr. Stephan Leithner</td>
<td>2013: 24,632</td>
<td>180,348</td>
</tr>
<tr>
<td>Stuart Lewis</td>
<td>2013: 20,480</td>
<td>77,706</td>
</tr>
<tr>
<td>Rainer Neske</td>
<td>2013: 73,940</td>
<td>132,905</td>
</tr>
<tr>
<td></td>
<td>2012: 51,088</td>
<td>111,902</td>
</tr>
<tr>
<td>Henry Ritchotte</td>
<td>2013: 134,082</td>
<td>144,944</td>
</tr>
<tr>
<td>Total</td>
<td>2013: 1,009,594</td>
<td>1,168,398</td>
</tr>
</tbody>
</table>

\(^1\) Including the share awards received in connection with employment prior to the appointment to the Management Board, if applicable.

The current members of our Management Board held an aggregate of 1,009,594 of our shares on February 22, 2013 amounting to approximately 0.11 % of Deutsche Bank shares issued on that date.

The number of Deutsche Bank shares delivered in 2012 to the members of the Management Board active in 2012 from deferred compensation awards granted in prior years amounted to 439,722.
It is imperative that the senior management of any financial institution is collectively committed to building a long-term sustainable business. Compensation structures should reflect this and ensure the employees have a vested interest in the future performance of the firm.

As communicated during the Investor Day in September 2012, we have taken the decision to identify a population of our most senior employees. This population comprises 126 (119 excluding the Management Board) individuals and includes the Group Executive Committee and the most senior employees from each of our business divisions, Regional Management and Infrastructure functions. All of the employees identified are also Regulated Employees under the InstitutsVergV, however, we have voluntarily sought to identify this further subset of Regulated Employees in order to apply more stringent compensation provisions.

**Restricted Equity Award**

In order to further align the compensation of this population with the long-term sustainability of the Group, the decision has been taken to extend the collective deferral and retention period of the REA to five years. Providing the performance conditions are met, the full amount of shares will not be released to employees until the end of the five-year period (rather than on a pro-rata basis).

The awards are subject to the full list of clawback provisions as outlined in the overview of ex-post risk adjustment measures. If for any year during the five-year vesting period either the Group or the employee’s Divisional NIBT is negative, 20 % of the award will be forfeited in respect of that year.

It is our intention to give specific focus to the compensation arrangements of the most senior employees in the Group. In addition to lengthening the vesting period for REA, the cash cap in place ensures high deferral levels for this population. On average, the Senior Management Group is subject to Variable Compensation deferral levels in excess of 90 %. Both the deferral rate and five-year vesting period go beyond the typical industry standards and regulatory requirements. It is a voluntary decision by us and one that may prove to be challenging from a competitive standpoint, however we believe strongly that it supports and demonstrates the increasing alignment between compensation and long-term performance requirements.
In accordance with the InstitutsVergV we are required to identify all employees whose work is deemed to have a major influence on the overall risk profile of the Group. The SECC has overseen the identification process in respect of 2012 which incorporated both qualitative and quantitative analysis. The process identified the following employee populations:

— Management Board, Group Executive Committee, Regional Management and Board Executive (“Geschäftsleiter”) of significant Group Subsidiaries;
— Senior Management responsible for day to day management of front office businesses and large country hubs;
— staff responsible for independent control functions and members of global Infrastructure Committees;
— all Managing Directors in CB&S (excluding Research and German MidCaps);
— if not already identified, all other employees with similar remuneration to those captured under the above criteria.

On a global basis, 1,215 employees were identified as Regulated Employees, spanning 36 countries. This represents a reduction compared to 2011 primarily as a result of identifying fewer Managing Directors in CB&S and an overall reduction in Variable Compensation. Despite this, we expect the number to remain significantly higher than the majority of our principle competitors, both from an absolute level and percentage of the total employee population.

Compensation Structures for Regulated Employees
Regulated Employees are subject to the same deferral matrix as the general employee population, save for the requirement that at least 40 % of Variable Compensation must be deferred. If a Regulated Employee’s Variable Compensation does not trigger 40 % deferral under the Group’s global matrix then the matrix is overridden to ensure the regulatory obligations are met. On average, however, Regulated Employees are subject to deferral rates in excess of 70 % of their total Variable Compensation awards. This is well in excess of the minimum 40 % – 60 % regulatory requirements and is a voluntary decision by us.

All Regulated Employees receive 50 % of their deferred Variable Compensation in the form of an REA and 50 % as an RIA. Upon the vesting of each REA tranche, a further minimum six-month retention period applies during which time employees are not permitted to sell the shares. Whilst the specific performance clawback condi-
tions outlined in the Group disclosure section do not apply during the retention period, employees can still forfeit the award if they are subject to termination for Cause.

In accordance with Section 5 InstitutsVergV regulations, 50 % of the upfront award (the remaining portion after the deferred percentage is calculated) is also awarded in equity (EUA). At award, the equity is subject to a minimum six-month retention period during which time the shares cannot be sold. Adding the EUA to the deferred portion of the award means that on average Regulated Employees received less than 15 % of their 2012 Variable Compensation as an immediate cash payment (i.e. deferral rates in excess of 85 %).

EUAs are subject to the Breach of Policy conditions during the retention period and will also be forfeited if employees leave the Group voluntarily.

**Compensation Disclosure pursuant to Section 8 InstitutsVergV**

As described above, we have developed and refined a structured and comprehensive approach in order to identify Regulated Employees in accordance with the InstitutsVergV requirements. The collective compensation elements for this population of employees are detailed in the table below. All Management Board members and Board members of our other "significant institutions" per Section 1 InstitutsVergV are included in the Geschäftsleiter column.

<table>
<thead>
<tr>
<th>in € m. (unless stated otherwise)¹</th>
<th>CB&amp;S</th>
<th>GTB</th>
<th>AWM</th>
<th>PBC</th>
<th>Geschäftsleiter (Significant Institutions)</th>
<th>NCOU</th>
<th>Group Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Compensation</td>
<td>1,375</td>
<td>44</td>
<td>84</td>
<td>25</td>
<td>75</td>
<td>16</td>
<td>1,618</td>
</tr>
<tr>
<td>number of employees</td>
<td>1,086</td>
<td>26</td>
<td>42</td>
<td>15</td>
<td>36</td>
<td>10</td>
<td>1,215</td>
</tr>
<tr>
<td>thereof Fixed Compensation</td>
<td>339</td>
<td>9</td>
<td>15</td>
<td>5</td>
<td>20</td>
<td>3</td>
<td>391</td>
</tr>
<tr>
<td>thereof Variable Compensation</td>
<td>1,036</td>
<td>35</td>
<td>68</td>
<td>19</td>
<td>56</td>
<td>13</td>
<td>1,227</td>
</tr>
<tr>
<td>Variable Compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>thereof Deferred Awards</td>
<td>779</td>
<td>28</td>
<td>57</td>
<td>15</td>
<td>47</td>
<td>10</td>
<td>936</td>
</tr>
<tr>
<td>thereof Deferred Equity</td>
<td>390</td>
<td>14</td>
<td>28</td>
<td>8</td>
<td>23</td>
<td>5</td>
<td>468</td>
</tr>
<tr>
<td>thereof Upfront Awards</td>
<td>257</td>
<td>7</td>
<td>12</td>
<td>4</td>
<td>9</td>
<td>2</td>
<td>290</td>
</tr>
<tr>
<td>thereof Upfront Equity²</td>
<td>125</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>141</td>
</tr>
<tr>
<td>thereof Awards subject to clawback</td>
<td>904</td>
<td>31</td>
<td>62</td>
<td>17</td>
<td>51</td>
<td>11</td>
<td>1,077</td>
</tr>
<tr>
<td>thereof Awards subject to sustained performance metrics</td>
<td>779</td>
<td>28</td>
<td>57</td>
<td>15</td>
<td>47</td>
<td>10</td>
<td>936</td>
</tr>
<tr>
<td>Sign On payments³⁴</td>
<td>34</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>34</td>
</tr>
<tr>
<td>number of beneficiaries</td>
<td>25</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>26</td>
</tr>
<tr>
<td>Termination payments</td>
<td>22</td>
<td>–</td>
<td>15</td>
<td>–</td>
<td>25</td>
<td>–</td>
<td>61</td>
</tr>
<tr>
<td>number of beneficiaries</td>
<td>91</td>
<td>–</td>
<td>7</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>101</td>
</tr>
</tbody>
</table>

¹ Excluding Postbank.
² Upfront equity portion of Upfront Awards may be less than 50 % due to the impact of local legal requirements and tax legislation.
³ Including guarantees.
⁴ Sign-on payments have been disclosed collectively for the Group with the exception of CB&S in order to safeguard employee confidentiality due to the low number of recipients.

All figures in the above table include the allocation of Infrastructure-related compensation or number of employees according our established cost allocation key. The table contains marginal rounding differences.

Our management structure and personnel was subject to significant change during 2012. All payments made to senior employees on the termination of their employment were made in recognition of their sustained commitment and personal contribution to the success of the Group over a period of time. Of the total value of termination settlements published above, the largest single award was approximately € 10.4 million (based on the foreign exchange rate on the date of payment) which represented a former contractual obligation.

All deferred awards and the EUA are subject to clawback following a policy or regulatory breach by the employee. In addition, all deferred awards are subject to clawback provisions linked to the performance of the employee, the respective corporate division and the Group as a whole. During the course of 2012, no clawback was applied towards Regulated Employees.
Compensation System for Supervisory Board Members

The principles of the compensation of the Supervisory Board members are set forth in our Articles of Association, which our shareholders amend from time to time at the Annual General Meeting. Such compensation provisions were last amended at our Annual General Meeting on May 24, 2007.

The following provisions apply: compensation consists of a fixed remuneration of € 60,000 per year and a dividend-based bonus of € 100 per year for every full or fractional € 0.01 increment by which the dividend we distribute to our shareholders exceeds € 1.00 per share. Each member of the Supervisory Board also receives annual remuneration linked to our long-term profits of € 100 for each € 0.01 by which the average earnings per share (diluted), reported in our financial statements in accordance with the accounting principles to be applied in each case on the basis of the net income figures for the three previous financial years, exceed the amount of € 4.00.

These amounts are increased by 100 % for every membership in a committee of the Supervisory Board. Committee chairpersons receive an increase of 200 %. These provisions do not apply to the Mediation Committee formed pursuant to Section 27 (3) of the Co-Determination Act. The Supervisory Board Chairman is paid four times the base compensation of a regular member, and does not receive incremental increases for committee work. The deputy to the Supervisory Board Chairman is paid one and a half times the base compensation of a regular member. In addition, the members of the Supervisory Board receive a meeting fee of € 1,000 for each Supervisory Board and committee meeting they attend. Furthermore, in our interest, the members of the Supervisory Board will be included in any financial liability insurance policy held to an appropriate value by us, with the corresponding premiums being paid by us.

We also reimburse members of the Supervisory Board for all cash expenses and any value added tax (Umsatzsteuer, at present 19 %) they incur in connection with their roles as members of the Supervisory Board. Employee representatives on the Supervisory Board also continue to receive their employee benefits. For Supervisory Board members who served for only part of the year, we pay a portion of the total compensation based on the number of months they served, rounding up to whole months.

The members of the Nomination Committee, which was first formed after the Annual General Meeting in 2008, waived all remuneration, including the meeting fee, for their Nomination Committee work for 2009 and the following years.

Supervisory Board Compensation for Fiscal Year 2012

We compensate our Supervisory Board members after the end of each fiscal year. In January 2013, we paid each Supervisory Board member the fixed portion of their remuneration and meeting fees for services in 2012. In addition, we will in principle pay each Supervisory Board member after the General Meeting in May 2013 a remuneration for their services in 2012 linked to our long-term performance as well as a dividend-based bonus, as defined in our Articles of Association. Assuming that the Annual General Meeting in May 2013 approves the proposed dividend of € 0.75 per share, the Supervisory Board will receive a total remuneration of € 2,335,000 (2011: € 2,608,600).
Individual members of the Supervisory Board received the following compensation for the 2012 financial year (excluding statutory value added tax).

<table>
<thead>
<tr>
<th>Members of the Supervisory Board</th>
<th>Compensation for fiscal year 2012</th>
<th>Compensation for fiscal year 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed</td>
<td>Variable</td>
</tr>
<tr>
<td>Dr. Paul Achleitner</td>
<td>160,000</td>
<td>—</td>
</tr>
<tr>
<td>Dr. Clemens Börsig</td>
<td>100,000</td>
<td>—</td>
</tr>
<tr>
<td>Karin Ruck</td>
<td>210,000</td>
<td>—</td>
</tr>
<tr>
<td>Wolfgang Böhr</td>
<td>80,000</td>
<td>—</td>
</tr>
<tr>
<td>Dr. Karl-Gerhard Eick</td>
<td>180,000</td>
<td>—</td>
</tr>
<tr>
<td>Katherine Garrett-Cox</td>
<td>60,000</td>
<td>—</td>
</tr>
<tr>
<td>Alfred Herling</td>
<td>120,000</td>
<td>—</td>
</tr>
<tr>
<td>Gerd Herzberg</td>
<td>25,000</td>
<td>—</td>
</tr>
<tr>
<td>Sir Peter Job</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Prof. Dr. Henning Kagermann</td>
<td>120,000</td>
<td>—</td>
</tr>
<tr>
<td>Peter Kazmierczak</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Martina Klee</td>
<td>60,000</td>
<td>—</td>
</tr>
<tr>
<td>Suzanne Labarge</td>
<td>120,000</td>
<td>—</td>
</tr>
<tr>
<td>Maurice Lévy</td>
<td>25,000</td>
<td>—</td>
</tr>
<tr>
<td>Peter Lüöcher</td>
<td>40,000</td>
<td>—</td>
</tr>
<tr>
<td>Henriette Mark</td>
<td>120,000</td>
<td>—</td>
</tr>
<tr>
<td>Gabriele Platscher</td>
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</tr>
<tr>
<td>Dr. Theo Siegrist</td>
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<tr>
<td>Rudolf Stockem</td>
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<tr>
<td>Dr. Johannes Teyssen</td>
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</tr>
<tr>
<td>Marleen Thieme</td>
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<tr>
<td>Tilman Todenhöfer</td>
<td>120,000</td>
<td>—</td>
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<tr>
<td>Prof. Dr. Klaus Rüdiger</td>
<td>—</td>
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<tr>
<td>Trütschler</td>
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<tr>
<td>Stefan Viertel</td>
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<tr>
<td>Renate Voigt</td>
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</tr>
<tr>
<td>Werner Wenning</td>
<td>60,000</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>2,130,000</td>
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</tr>
</tbody>
</table>

1 Member since May 31, 2012.
2 Member until May 31, 2012.
3 Member since May 26, 2011.
4 Member until May 26, 2011.
5 Member until October 25, 2011.
6 Member since June 1, 2012.
7 Member since November 30, 2011.
8 Variable compensation 2011 for a regular member of € 7,200 is made up of a dividend-based amount of € 0 and an amount of € 7,200 linked to the long-term performance of the company.

With the exception of Mr. Stockem, all employee-elected members of the Supervisory Board are employed by us. In addition, Dr. Börsig was employed by us as a member of the Management Board until April 2006. The aggregate compensation we and our consolidated subsidiaries paid to such members as a group during the year ended December 31, 2012 for their services as employees or status as former employees (retirement, pension and deferred compensation) was € 1.6 million.

We do not provide the members of the Supervisory Board with any benefits upon termination of their service on the Supervisory Board, though members who are or were employed by us are entitled to the benefits associated with their termination of such employment. During 2012, we set aside € 0.08 million for pension, retirement or similar benefits for the members of the Supervisory Board who are or were employed by us.
Corporate Responsibility

2012 was a year of transition for us. The new management announced our Strategy 2015+. Culture change is one of the core levers of this strategy. The change program is building on the strength of the past while focusing ever more on needs of clients and partnership. Intensifying our efforts to make our business sustainable has to be an integral part of this change, and not just in the economic sense. The social and environmental dimensions have to play a vital role as well.

To effect true change will take time but the message is clear: our performance culture has to be synchronized with a culture of responsibility. We understand Corporate Responsibility as providing value with values for all our stakeholders, our clients, employees, investors and society at large. Our objective is to deliver shared value by incorporating environmental, social and governance issues throughout our businesses. At the same time, we create shared value by creating opportunities in the communities we operate in, enable their talents and foster their creativity. The traditional “philanthropically” motivated approach has shifted to an agenda targeted at building social capital.

However, we make our greatest contribution by applying our expertise and financial services as a global financial player to the needs of our clients in order to maintain and grow their businesses. We offer more than financial support. More than ever before, our employees around the world invest their time, effort, and experience to effect positive change in their local community or to help build capacities in start-up non-profit organizations.

We are aware that the expectations and interest of shareholders, clients, employees and the general public might be contradictory. This implies that we have to consider and weigh the impact of our businesses, and balance financial returns with benefits for our stakeholders and social acceptance. In 2012 some of our banking activities have again attracted criticism, including issues around food speculations, the production of cluster munitions and transactions in the energy sector. We take the concerns seriously and will adapt our governance framework and business practices wherever necessary, following dialog with stakeholder and thorough analysis of facts. For example, after a period of intensive consultation and reflection we have not found convincing evidence that the growth of agricultural-based financial products has led to either higher or more volatile prices. Therefore we have lifted our temporary halt on launching new exchange-traded products based on agricultural staples. And in the future when new products are launched, our approval process will make sure that the investment strategies which underpin our investor products do not facilitate price spikes.

Responsible business

To address the increasing relevance of environmental and social risks we introduced an Environmental and Social Risk Framework in 2011. The Framework is being gradually rolled out across our organization and significant progress was achieved in 2012. It involves environmental and social due diligence as integral part of the approval process for all transactions. In the initial phase of implementation, special emphasis has been placed on transactions originated in sensitive sectors such as extractive industry, agriculture, and forestry or utilities by our Corporate Banking & Securities and Global Transaction Banking divisions. Within the Framework and with the support of the Group Reputational Risk Committee, guidance was drawn up for our activities in a variety of sectors cover, for example palm oil and nuclear power. Our clients expect from us advice which is balanced with regard to risk and opportunities which serve their needs. We introduced a Responsible Business Initiative in our PBC business, setting minimum standards for products.
Asset under Management that integrates environmental, social and governance (ESG) criteria remained unchanged on a high level with € 2.5 billion in 2012. This includes thematic funds in the area of climate change. We extended ESG integration in our mainstream analysis with a series of upgrades of our internal investment portal. Improvements included adding carbon ratings and a carbon reporting tool to the fixed income part of our investment portal and extended ESG ratings to the Corporate and Sovereign fixed income research platform for developed and emerging markets. We also launched the U.S. $ 100 million Global Commercial Micro-finance Consortium II fund.

**Sustainable operations**

Our thought leadership and our responsibility as a global player coincide when it comes to actions to contain the impact of climate change. We set the target to make our operations carbon neutral (relative to the 2007 baseline) by year-end 2012. We accomplished this by the year-end of 2012. We invested in energy efficiency projects, purchased and generated on-site renewable electricity and purchased and retired UN carbon credits via the bank’s carbon trading desk for our inevitable emissions. Our broad basket of climate change related activities earned us for the first time a spot in the Carbon Disclosure Leadership Index as one of 33 companies worldwide.

**Society**

With a total investment of € 82.7 million in 2012 as compared to € 83.1 million in 2011, we and our foundations are again among the world’s most active corporate citizens. Our commitment focuses on education, social investments, art and music. 20,000 people (1,000 more than in 2011), representing 24 % of our employees around the world, supported community projects as Corporate Volunteers.

Corporate Responsibility includes sound performance management, remuneration practices and the respect for a diverse workforce. More information is provided on the following pages.

Read more about our Corporate Responsibility program in our CR Report 2012 or on the CR Portal (www.db.com/responsibility).
Employees

As of December 31, 2012 we employed a total of 98,219 staff members as compared to 100,996 as of December 31, 2011. We calculate our employee figures on a full-time equivalent basis, meaning we include proportionate numbers of part-time employees.

The following table shows our numbers of full-time equivalent employees as of December 31, 2012, 2011 and 2010.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>46,308</td>
<td>47,323</td>
<td>49,265</td>
</tr>
<tr>
<td>Europe (outside Germany), Middle East and Africa</td>
<td>23,873</td>
<td>24,187</td>
<td>23,806</td>
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<tr>
<td>Asia/Pacific</td>
<td>17,709</td>
<td>18,351</td>
<td>17,779</td>
</tr>
<tr>
<td>North America1,2</td>
<td>9,787</td>
<td>10,610</td>
<td>10,722</td>
</tr>
<tr>
<td>Latin America</td>
<td>542</td>
<td>525</td>
<td>490</td>
</tr>
<tr>
<td><strong>Total employees</strong>3</td>
<td><strong>98,219</strong></td>
<td><strong>100,996</strong></td>
<td><strong>102,062</strong></td>
</tr>
</tbody>
</table>

1 Full-time equivalent employees; in 2012, the employees of Mexico previously shown in North America were assigned to Latin America; numbers for 2011 (90 employees) and 2010 (89 employees) have been reclassified to reflect this. In 2012, the change of FTE definition regarding “Mobile Sales Forces” in India resulted in a decrease of 300 (status as of December 31, 2011, prior periods not restated); in 2011, Deutsche Postbank aligned its FTE definition to Deutsche Bank which reduced the Group number as of December 31, 2011 by 260 (prior periods not restated). In 2011, 257 FTE of Sal Oppenheim Germany have been assigned directly to Austria, Luxembourg and Switzerland (Europe outside Germany).

2 Primarily the United States.

3 The nominal headcount of The Cosmopolitan of Las Vegas is 4,371 as of December 31, 2012 compared to 4,256 as of December 31, 2011 and compared to 4,147 as of December 31, 2010. The headcount number is composed of full time and part time employees and is not part of the full time equivalent employees figures.

The number of our employees decreased in 2012 by 2,777 or 2.7% due to the following factors:

— The number of staff in Corporate Banking & Securities decreased by 1,390 primarily due to tough markets and as a result of the measures initiated in the third quarter 2012.
— In Global Transaction Banking, the number of employees remained almost on the 2011 level.
— The number of our staff in Asset & Wealth Management decreased by 473 due to market development and the integration of Asset Management and Wealth Management.
— The number of Private & Business Clients staff declined by 1,073 mainly due to further progress made with the integration of Deutsche Postbank.
— The number of staff in areas assigned to the Non-Core Operations Unit declined by 326.
— In our Infrastructure operations, employee headcount increased by 398 primarily due to regulatory requirements and the further build out of our service centers.
Labor Relations

In Germany, labor unions and employers’ associations generally negotiate collective bargaining agreements on salaries and benefits for employees below the management level. Many companies in Germany, including ourselves and our material German subsidiaries, are members of employers’ associations and are bound by collective bargaining agreements.

Each year, our employers’ association, the Arbeitgeberverband des privaten Bankgewerbes e.V., ordinarily renegotiates the collective bargaining agreements that cover many of our employees. The current agreement reached in June 2012 includes a single payment of € 350 in June 2012 (apprentices € 100) and a pay raise of 2.9 % from July 2012 and a second pay rise of 2.5 % from June 2013 on. The agreement so far terminates on April 30, 2014. Also concluded by the agreement are a declaration on the importance of health protection measures in companies, a commitment for starting negotiations on an extension of the early retirement agreement and a commitment for starting negotiations on new rules for work on Saturdays in 2012/2013, which should be finished before renegotiations of this agreement will start in 2014.

Note Infrastructure areas of Postbank (still) completely assigned to Private & Business Clients
Our employers’ association negotiates with the following unions:

— ver.di (Vereinigte Dienstleistungsgewerkschaft), a union formed in July 2001 resulting from the merger of five unions, including the former bank unions Deutsche Angestellten Gewerkschaft and Gewerkschaft Handel, Banken und Versicherungen
— Deutscher Bankangestellten Verband (DBV – Gewerkschaft der Finanzdienstleister)
— Deutscher Handels- und Industrieangestellten Verband (DHV – Die Berufsgewerkschaft)
— Komba Gewerkschaft (public service union, only relevant for Postbank)
— DPVKom – Die Kommunikationsgewerkschaft (only relevant for Postbank)

German law prohibits us from asking our employees whether they are members of labor unions. Therefore, we do not know how many of our employees are union members. Approximately 15 % of the employees in the German banking industry are unionized. We estimate that less than 15 % of our employees in Germany are unionized (excluding Postbank, which itself has traditionally had a significantly higher unionization rate of approximately 60 %). On a worldwide basis, we estimate that approximately 15 % of our employees are members of labor unions (including Postbank, less than 25 %).

As of December 31, 2012, approximately 33 % of Postbank staff members are civil servants.

Post-Employment Benefit Plans

We sponsor a number of post-employment benefit plans on behalf of our employees, both defined contribution plans and defined benefit plans.

In our globally coordinated accounting process covering defined benefit plans with a defined benefit obligation exceeding € 2 million our global actuary reviews the valuations provided by locally appointed actuaries in each country.

By applying our global principles for determining the financial and demographic assumptions we ensure that the assumptions are unbiased and mutually compatible and that they follow the best estimate and ongoing plan principles.

For a further discussion on our employee benefit plans see Note 34 “Employee Benefits” to our consolidated financial statements.
A new Performance Management approach

In 2011, with the endorsement of the Group Executive Committee, committed to building and strengthening our performance culture based on a set of very clear principles:

— Everyone knows what is expected of them.
— We let our people know where they stand.
— We differentiate performance.

2012, we took this a step further by implementing a new approach to performance management. The new approach requires an employee’s performance to be reviewed on two components:

— What business objectives have been achieved by the employee?
— How the objectives were achieved?

To measure the “how” component, we introduced Performance Standards. These define the desired behaviors for all employees, to ensure sustainable high performance in line with the values of the bank.

This new performance assessment approach is supported by the implementation of a new performance management tool, db Perform, for the majority of our divisions.

Compensation as part of the cultural change initiative

We identified compensation as part of our culture change initiative and as key focus point during 2012. Our engagement and the long term alignment to this topic include various activities, which we describe in detail in the compensation report beginning on page 195 of this report.

Deutsche Bank People Survey and cultural assessment as yardstick for cultural change

Through the annual group-wide DB People Survey, in which 2012 some 52,000 employees – more than half of our staff – participated, we received valuable feedback about the process of cultural change we pursue following the transition at Top Management level and the subsequent strategy review. The results confirmed many areas of excellence in our current culture. The Commitment Index, which measures the overall loyalty to the company remains at high levels. It has increased by 1 % to 73 % in 2012. The commitment of our employees is significant even during times of extreme changes for the industry.

The DB People Survey was supplemented by a cultural assessment this year involving approximately 20 % of our staff, randomly chosen from all hierarchy levels, divisions and regions. The feedback received provides us with reliable information about how our employees perceive our vision, strategy, values and culture, how they experience the implementation of this strategy in their day-to-day professional activities and how well they believe we can react to and reposition ourselves in this social environment. Under the direct leadership of the Group Executive Committee members the work on cultural change will continue.
Note: In 2011 Deutsche Bank moved away from analyzing Index scores towards analyzing % Agreement scores.

Diversity

Diverse teams are the more successful teams as success depends on a variety of perspectives. It is only by living according to our diversity philosophy that we can successfully respond to the great variety of client requirements and develop innovative solutions.

Under the voluntary self-commitment we signed along with the other DAX 30 companies, our aim is to increase the ratio of female senior executives at the Managing Director and Director level to 25 % and the proportion of female management staff at the Managing Director, Director, Vice President, Assistant Vice President and Associate level to 35 % by the end of 2018, subject to applicable laws.

Since 2010, we increased the ratio of female senior executives from 16.2 % to 18.0 % and the percentage of female management staff from 29.3 % to 30.8 %.

Our ATLAS program (Accomplished Top Leaders Advancement Strategy) – through which we offer tailored training and senior management sponsorship for a selected group of female Managing Directors since 2009 - won the Global Award at the “Opportunity Now Excellence in Practice Awards 2012” in the United Kingdom.

Through our “Women on Boards” initiative launched in 2011, we succeeded in adding ten women to Supervisory Boards of our subsidiaries, which increased the proportion of female membership by 56 %. On our Regional Advisory Boards we can report an increase of 1.5 %.
Outlook

The Global Economy

The global economy is expected to grow moderately in the first half of 2013. Both the recession in the eurozone and concerns surrounding the U.S. debt ceiling debate should have a dampening effect. In the second half of the year, however, we anticipate a moderate upturn in the global economy, with growth gradually reaching its trend level. We expect an annual average of 3.2% in global GDP in 2013. Our forecast for global inflation in 2013 is 3.2% on an annualized average, slightly less than in the previous year. At the beginning of the year inflation in the industrialized countries should decrease slightly on account of unexploited capacities. In the course of the year, we expect inflation to rise again as the expected recovery sets in both in the industrialized countries and in the emerging markets. For 2014, the upturn in the global economy is likely to continue, reaching growth of 4.0%. We expect global inflation to increase to 3.5%.

The moderate acceleration of global economic growth in 2013 (as an annualized average) is a result of the relatively low growth rates in industrialized countries as compared with emerging markets. We expect that the industrialized countries’ contribution to growth will only be around 20% in 2013 and about 25% in 2014. The economic recovery could well be stagnating, particularly in the eurozone.

Fears that the eurozone could break apart have been significantly allayed both by the ECB’s announcement that, subject to conditionality, it would make unlimited purchases of sovereign bonds on the secondary market (Outright Monetary Transactions) as well as the clear political will of the eurozone member countries to hold together. We expect that fiscal policy will be less restrictive in 2013 than in the previous year, and also that monetary policy will remain expansive and that credit conditions will improve. The sovereign debt crisis should gradually become less severe. In addition, the year is likely to see positive impulses come from the recovery in the U.S. and increasing foreign trade demand from the emerging markets. Since the eurozone will probably be in recession in the winter months of 2012/2013, GDP in the eurozone is likely to contract by 0.3% for the year as a whole in spite of the recovery expected later in the year. Germany will probably be the only larger country in the eurozone to actually see its economy expand. For the countries of southern Europe, we expect GDP to fall again in 2013, though not as strongly as in the previous year. For 2014, we expect a continued recovery for the eurozone and GDP growth of 1.1%. Germany’s economy should grow by 1.5%.

For the U.S., we are projecting that GDP growth will accelerate over the course of the year. In the first six months, growth will probably be dampened by concerns over resolving the deficit reduction and debt ceiling issues. Assuming that a viable compromise is found, we expect growth to increase to approximately 3% by the end of 2013. Based on slow growth at the end of 2012 and a relatively weak first half of 2013, we expect annualized GDP growth of 2.0%, which is slightly below the 2.3% of the previous year. The recovery on the real estate market is likely to accelerate, and the situation on the employment market should gradually further improve. In 2014, we expect 2.9% growth in the U.S. economy.

The Japanese economy is expected to stabilize in the spring of 2013, following the recession in the second half of 2012. Over the course of 2013, the increase in world trade in conjunction with the weaker yen should see demand for exports rise. In addition, economic stimulus packages and an expansive monetary policy are likely to provide growth impulses. Japanese GDP will probably increase by 1.2% in 2013 and 0.7% in 2014.
In emerging markets, we expect growth of 5.5 % in 2013 and 6.0 % in 2014. The emerging markets should therefore remain the global economy's engines of growth. Based on rising domestic demand and stronger order flows from industrialized countries, growth should rise steadily. However, there are clear differences in growth between the individual regions. Asia (excluding Japan) is expected to show relatively strong growth of 6.7 % in 2013 and 7.5 % in 2014, driven by China. The economic expansion should accelerate over the year, particularly due to the rise in foreign demand and urbanization-driven investment, with growth reaching its trend level in the second half of the year. We expect China’s real GDP to increase by 8.2 % in 2013 and 8.9 % in 2014 on the back of stabilizing external demand and helped by rebalancing policy to support domestic consumption. India’s growth is also poised to rebound to 6.8 % in 2013 and 7.1 % in 2014 as investment activity will benefit from a better global backdrop and more liberal foreign investment regime in a few sectors. Growth in Latin America will probably be less dynamic. We expect GDP to rise there by 3.5 % in 2013 and 3.9 % in 2014. Brazil's real GDP growth is projected to accelerate to 3.5 % in 2013 and 4.2 % in 2014. Main drivers are improving global economic conditions, very low domestic interest rates and continued efforts by the authorities to raise economic growth, not least in view of the 2014 presidential elections.

The economic outlook could be impacted primarily by uncertainties arising in the U.S. and Europe. The U.S. financial markets could face significant upheavals, if, in light of the political deadlock, no agreement is reached on raising the debt ceiling or implementing spending cuts. In Europe, attention should be focused on the election in Italy and negotiations on the first rescue package for Cyprus. In addition, all forecasts for the region are based on the assumption that foreign demand will pick up – which in turn depends on a self-reinforcing recovery of world trade. Should the anticipated gradual economic recovery fail to materialize, the markets could lose their faith in European countries' commitment to carry out structural reforms. In addition, the conflict in the Middle East could intensify and cause oil prices to rise sharply.

The Banking Industry

Over the next two years, the banking industry in most of the industrialized countries may see a further normalization of its business environment, with only moderate economic growth as well as significantly more expansive and rigorous regulation.

In Europe, 2013 could bring about a turning point for the better for banks, following a period of multiple burdens in previous years caused by the financial, economic and debt crises and the adjustments necessary to comply with a stricter regulatory environment. While a return to sustainable earnings growth will hardly be possible before 2014, the banking industry is likely to intensify its efforts to establish a leaner cost structure and achieve efficiency gains, which should lead to lower operating expenses. The pressure to increase capital ratios should slowly ease in light of the recent progress made in this regard, and banks should therefore gradually gain more leeway to invest in new business. However, raising profitability to an acceptable level should continue to be a major challenge.

At least a stabilization of the European lending business as a whole may be possible this year – although margin pressure is likely to increase in light of the very low interest rates. An upturn is more likely to occur in lending to companies rather than to private households, which in many countries are still suffering from continued high levels of debt, overvalued real estate markets and high unemployment. Deposit growth will probably remain low in 2013, but should benefit from an economic upturn in the following year. The recent increase in loan defaults should remain limited thanks to the low interest charges for many borrowers – assuming that there will be a gradual recovery of the European economy without any new negative shocks.
On the regulatory side, actions by the European Commission in 2013 will include proposals for structural changes to the banking industry along the lines of the Liikanen Commission Report. As a part of that, the introduction of elements of a split banking system for commercial and investment banking activities is under discussion. This could have profound effects not only for EU banks and the established universal banking model, but also for banks’ clients and financial stability. Individual member states, notably Germany and the UK, are also pushing for structural changes.

In the course of 2013, the Basel 3 reforms will most probably be codified into European law, which, as far as the revision of the Capital Requirements Directive is concerned, would be followed by implementation in the individual member states. The passage of the revised European Deposit Insurance Directive is also scheduled for 2013. The possible introduction of a financial transaction tax in a number of EU countries poses a particular risk to the European capital markets. Finally, the European Commission is also due to present a legislative proposal for a European bank resolution regime, which could have far-reaching consequences for banks and their creditors.

In the U.S., a major task for banks will be to maintain the very strong profitability levels they have reached again. A moderate recovery in the lending business should facilitate this, although almost no further momentum can be expected from declining loan losses. In addition, the extremely low interest rates could, in the medium term, turn out to be a serious problem for the interest margin. For the same reason, and due to the expiry of a portion of the previously existing deposit guarantees, the previously strong growth in deposit volume will probably let up noticeably. Furthermore, banks’ revenues and profits could also be impacted by measures designed to slow the rise in public debt levels.

With respect to new regulation, Basel 3 (including transitional provisions) will probably also be introduced in the U.S. for major banks in 2013. Passage could yet be delayed, though, by calls for another impact study. At the same time, work will continue on the implementation of standards introduced by the Dodd-Frank Act. For foreign credit institutions operating in the US, recent calls for local incorporation, with accompanying local capital requirements, pose substantial issues.

In investment banking, overall global revenues in 2013 should remain at about the same level as in the previous years. A slightly weaker activity in the markets for debt instruments may be largely balanced by a slightly better development in the origination and trading of equity securities (following a very weak result in 2012). At the same time, banks will probably continue in 2013 and 2014 their efforts to achieve a leaner cost base and some institutions could further reduce their range of products and services, which means that the gradual increase in the market concentration already observed in recent years could continue.

Asset and wealth management businesses’ performance may again be determined to a large part by capital market developments. As these are facing a cautiously optimistic outlook due to receding fiscal and macroeconomic concerns in Europe and the U.S., assets under management could grow moderately over 2013 and 2014, with flows by asset category reversing some trends of the past few years: equity funds might benefit from increased risk appetite, while bond funds may perform less well following significant recent price increases. Revenues may be negatively impacted, on the other hand, by competitive pressures which remain intense and by margins likely to shrink further, the latter being reinforced by a prolonged very low-yield environment.
Finally, numerous banks will continue to be faced with accusations of unlawful behavior and improper business practices. This may lead to (further) considerable financial charges as well as long-term reputational damage for the entire industry.

The Deutsche Bank Group
In September 2012 we published our strategic and financial aspirations for 2015 in our Strategy 2015+. For the Group our financial objectives for 2015 include

— a post-tax return on average active equity of at least 12 %,
— fully loaded Basel 3 Core Tier 1 target ratio of more than 10 %,
— a cost/income ratio of below 65 % and
— annual cost savings of € 4.5 billion.

Corporate Banking & Securities targets in 2015 a post-tax return on average active equity of approximately 15 %, a cost/income ratio of less than 65 % and a RWA equivalent of less than € 200 billion. Global Transaction Banking and Asset & Wealth Management aim to double income before income taxes to approximately € 2.4 billion and € 1.7 billion, respectively. Private & Business Clients targets an income before income taxes of approximately € 3.0 billion and a cost/income ratio of less than 60 %. For these businesses including Consolidation & Adjustments in total we aim to achieve a post-tax return on average active equity of at least 15 %.

Our aspirations are based on a number of key assumptions, including normalization/stabilization of asset valuations, revenue growth in line with the market, the absence of fundamental changes to current regulatory frameworks on capital or separation of business activities, global GDP growth in the range of 2 % to 4 % per annum over the period, a EUR/USD exchange rate of approximately 1.30 and the achievement of selective consolidation-driven market share gains.

To support the aspirations of our Strategy 2015+ a number of strategic initiatives were launched which include the establishment of a dedicated Non-Core Operations Unit, targeted de-risking activities as well as a specific program to increase our operational excellence.

We reaffirm our commitment to the universal banking model and to our four business segments. Additionally, in order to accelerate our deleveraging activities we set up a dedicated Non-Core Operations Unit in 2012. As a distinct division, the unit will be transparent, fully accountable, and empowered to manage and sell non-core assets in the most efficient manner for the Bank and our shareholders. Its key objective is reducing Basel 3 equivalent RWAs to approximately € 90 billion by the end of the first quarter 2013 and to less than € 80 billion in total by December 31, 2013.

We remain committed to managing our capital to comply with all regulatory thresholds even in stress scenarios. The Core Tier 1 capital ratio stays a management priority. Given our excellent progress on de-risking, we have increased our planned de-risking from € 90 billion to over € 100 billion to be achieved by March 2013. Accordingly, we have now raised our fully loaded Basel 3 Core Tier 1 target ratio to 8.5 % as of March 31, 2013, and continue to expect more than 10 % as of March 31, 2015.
We aim to secure our long-term competitiveness by achieving operational excellence with major reductions in costs, duplication and complexity in the years ahead. In context of our Operational Excellence Program (OpEx) we plan to invest approximately € 4 billion with the aim of achieving full run rate annual cost savings of € 4.5 billion in 2015.

<table>
<thead>
<tr>
<th>Year</th>
<th>Targeted Investments</th>
<th>Targeted Incremental Savings</th>
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<td>2012</td>
<td>0.6</td>
<td>0.4</td>
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<tr>
<td>2013</td>
<td>1.7</td>
<td>1.2</td>
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<tr>
<td>2014</td>
<td>1.6</td>
<td>1.4</td>
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<tr>
<td>2015</td>
<td>0.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
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<td>4.5</td>
</tr>
</tbody>
</table>

1 Numbers may not add up due to rounding.

In 2012, we have already invested € 0.5 billion and achieved savings of € 0.4 billion.

Of the planned OpEx savings in 2015, nearly 40 %, or € 1.7 billion, relate to the infrastructure areas, including investing in new integrated IT platforms, rationalizing regional back-office activities and centralizing procurement. Some initiatives within the scope of the businesses are a new and more cost-efficient IT platform in PBC, streamlined AVM business, more efficient sourcing and a move to more cost-efficient locations. We further plan to consolidate our real-estate footprint by putting properties up for sale. Based upon activities in 2012, we have already identified cost savings of € 800 million in 2013. Currently a small portion of identified and submitted initiatives is still under review. Depending on the final decision on the initiatives, there is a risk that the overall cost to achieve demand is higher than originally envisioned and that the overall saving target is not reached.

The implementation of our initiatives or the realization of the anticipated benefits might be negatively impacted by certain factors. Economic factors that might impact us are the continuation of the European sovereign debt crisis, the recurrence of extreme turbulence in the markets in which we are active, weakness of global, regional and national economic conditions and increased competition for business. Additionally, regulatory changes might increase our costs or restrict our activities as capital requirements are in focus and different authorities are pushing for structural changes. Given the fact that these governmental initiatives are all subject to discussions, we cannot quantify any future impact as of today. Due to the nature of our business, we are involved in litigation, arbitration and regulatory proceedings in jurisdictions around the world and such matters are subject to many uncertainties. Whilst we have resolved a number of important legal matters and made progress on others, we expect the litigation environment to continue to be challenging.

**Corporate Banking & Securities**

For 2013 and 2014, we anticipate the investment banking industry will remain susceptible to uncertainty surrounding the macroeconomic and political environment, as discussed in the previous section. Industry challenges and opportunities likely to impact performance include the changing regulatory environment and the transformation of the competitive landscape, as polarization drives increased consolidation. We expect the return to stronger growth at the end of 2013 to bring about a reduction in central bank intervention and market influence, versus the elevated levels seen in 2012. Core bond yields are anticipated to gradually increase in 2013, but in an orderly process that reflects the underlying economic recovery and more positive macro environment. Despite a strong rally in 2012, equities are expected to remain strong, underpinned by a decline in macro risk, lower uncertainty around economic policy, and relatively low global cash and bond yields.
Deutsche Bank is well positioned to take advantage of the increased industry consolidation, and will begin to realize the benefits from the strategic plan laid out in September 2012. Corporate Banking & Securities (CB&S) will continue to leverage its strengths in fixed income flow through further platform integration, while scaling back higher risk, capital and regulatory intensive products. Geographically we will continue to streamline the business and ensure that resources are appropriately allocated to market opportunities. Together, these areas of focus will assist us in achieving our 2015 strategic targets of a post-tax return on average active equity of approximately 15% on a Basel 3 fully loaded basis and a cost income ratio of less than 65%. However there remain a number of risks and uncertainties, including; potential slowdown in activity due to protracted sovereign debt crisis and contagion risk; the impact of potential regulatory changes; potential margin compression and increased competition in products with lower capital requirements; outcome of litigation cases; risk of OpEx benefits not being fully realized; and a potential delay in execution of risk mitigation strategies.

In Sales & Trading, we expect revenues from fixed income flow products to remain strong in some markets, such as foreign exchange. Cash equities flow revenues may trend higher in the medium term as the global recovery takes hold. Margins are expected to be elevated from current levels as a result of market consolidation and capital pressure, potentially offset by the impact of regulatory change.

In Corporate Finance, we expect a modest medium term increase in fee pools. Debt issuance is expected to remain robust, particularly if the low interest rate environment persists. We expect M&A to be sustained at current levels; while the environment is generally attractive given low valuations and high cash levels, companies are likely to remain unwilling to commit to deals in the medium term given the uncertain environment. We anticipate Equity Capital Markets issuance will remain subdued as long as macro uncertainty persists.

Despite the challenging market conditions seen in recent years, and the continued uncertain outlook, by reaffirming focus, scale and efficiency and consolidating on previous success, CB&S is well positioned to face the potential challenges and opportunities the future environment may present.

Global Transaction Banking
The outlook for transaction banking over the next two years will likely be influenced by a number of critical factors. The comparatively low interest rate levels seen in most markets during the last years are likely to persist in 2013 and 2014. Economic recovery may be starting slow in 2013, with a recession in the eurozone, but could be counterbalanced somewhat by a robust economic development in Emerging Markets and stabilization in the U.S. and Japan. Based on the assumption of increasing foreign demand, the GDP growth could accelerate in 2014. Significantly more expansive and rigorous regulation, including potential structural changes, as well as pressures on margins, costs and from litigations will continue to pose challenges to the overall banking industry.

Deutsche Bank’s Global Transaction Banking (GTB) business will be impacted by these challenges. The sustained momentum of profitable growth and client acquisition in the underlying business in recent years, together with its high quality and innovative products, leaves GTB well-placed to cope with these challenges and even grow its client base. Trade Finance may benefit from the global economic development, increased foreign trade and the expected stabilization of the lending business. In Trust and Securities Services, the outlook for increased origination activities in 2013 and a trend to concentrate investment banking services could provide growth opportunities. For Cash Management, the increased level of global activities is a potential positive factor whilst deposit growth may remain low in 2013 but could potentially recover in 2014. The business is focusing on deepening its client relationships with complex Corporates and Institutional Clients in existing regions as well as pushing further growth in certain Emerging Markets. Closer co-operation with other areas of the bank should ensure that a wider range of clients will benefit from GTB’s products and services.
Beyond the next two years, GTB’s aspiration is to grow its income before income taxes to € 2.4 billion by 2015, predominantly in the aforementioned focus areas. Additionally, investing in solutions, platforms and operational excellence while maintaining strict cost, risk and capital discipline supports this growth. The continuation and successful completion of the turnaround of the commercial banking activities in the Netherlands, which commenced during the fourth quarter of 2012, should as well be an integral part to achieve GTB’s strategic target.

**Asset & Wealth Management**

In the near term, the asset and wealth management industry will continue to be challenged by market instability arising from sovereign indebtedness, particularly in Europe and the U.S., and the persistent low-yield environment in many developed markets. We expect that uncertainty in the investment climate – characterized by high allocations to fixed income and cash products, which are relatively low margin – will put further pressure on industry profitability. This should be compounded by higher compliance-related costs resulting from new regulation. Thus, there is a continuing need for scale and efficiency. In our view, a select group of large managers should increasingly dominate the industry, gathering the majority of new assets. Asset and wealth managers stand to benefit this year from an improvement in equity markets and increased client activity, which should support revenue growth from commissions and performance fees.

As part of the strategic review, we announced the establishment of a newly integrated Asset & Wealth Management (AWM). AWM combines Deutsche Bank’s former asset management and private wealth management units, as well as the third-party alternative assets and passive businesses that were part of CB&S. Thus, AWM offers all client types a comprehensive product suite, spanning key growth areas such as alternative investments (including hedge funds, real estate and private equity) and passives (including exchange-traded funds). With € 944 billion of assets under management as of December 31, 2012, AWM ranks among the ten largest bank-owned global asset and wealth managers.

AWM has defined a strategy that positions AWM well to benefit from the longer term trends, the development of the industry and the competitive landscape. AWM has targeted doubling IBIT to € 1.7 billion by 2015, through revenue initiatives of € 0.3 billion and cost savings of € 0.7 billion.

AWM will enhance its presence in selected markets – particularly in emerging markets – by leveraging strong DB Group footprint. We will actively participate in emerging markets where rapid growth is driving wealth creation and in turn raising the demand for asset and wealth management services. Accordingly, AWM aims to grow revenues in Asia/Pacific and Latin America by 20-25 % through 2015 while the envisaged growth highly depends on the continuation of economic growth in these regions.

We will continue to target the ultra-high net worth client segment globally and should increase the client relationships in this segment by 50 % until 2015 by enhancing our product offering and solutions platform and by a dedicated coverage team. In this segment, the competition for clients and top talent is particularly intense. Furthermore, AWM anticipates a continued shift toward alternative investments across the client spectrum, as well as an increased demand for retirement products, as a consequence of demographic trends. We should be able to grow the invested assets in these products by more than 10 % by 2015 by expanding the product set and continued cooperation with external managers. Furthermore, we expect a global increase in allocations to passive investments, which we anticipate will lead to continued growth of exchange-traded funds in particular. AWM should be able to grow the invested assets in ETFs by 50 % until 2015 while leveraging our market position and expanding in Americas.
The substantial scale of the division, combined with targeted investment in the platform, should enable us to achieve significant operational efficiencies, which we believe will be crucial as margins come under further pressure, while continuing to invest in high-growth opportunities. AWM expects to derive cost and revenue synergies by optimizing our business model with respect to manufacturing (investment), coverage (sales) and infrastructure. Key initiatives in meeting those aims include integrating coverage globally and creating a unified investment platform. Efficiency should be achieved by: removing duplications of business lines, products and services, and technology; rationalizing infrastructure; and streamlining infrastructure supporting our business. This should enable us to improve our gross margin; a significant effort has already been initiated in this respect, with solid results in 2012. The timing on some of the envisaged optimization projects is dependent on a number of execution risk factors, which may delay or reduce the envisaged plan benefits.

**Private & Business Clients**

For countries in which Private & Business Clients (PBC) operates the overall macro-economic outlook is mixed. GDP growth in the home market Germany has a slightly positive outlook for 2013 and an even better outlook for 2014, while the GDP outlook for most of the European countries in which PBC is present is rather slightly negative. The economy in Asia is expected to show relatively strong growth in 2013 and 2014.

PBC is expected to continue on its growth path towards its about € 3 billion income before income taxes ambition for 2015 and to achieve a targeted revenue base beyond € 10 billion with a cost/income ratio target of approximately 60%. Strategically, we focus on being amongst Europe’s leading retail banks with a strong advisory business in our home market Germany – benefiting from the full integration of Postbank – and in international sweet spots such as other important European markets and key Asian countries. Furthermore, we will leverage our relative strength to grow our credit business at attractive margins and maintain a strong position with being a Top 5 deposit taker among Europe’s leading retail banks.

In Advisory Banking Germany, we expect to be able to reinforce our market position, continuing our success in deposit gathering and low-risk mortgage production as well as strengthening our investment and insurance product business. With the organizational realignment, we will seek to further enhance our value proposition and improve our delivery on customer preferences.

In Advisory Banking International we are capitalizing on our advisory strength in Europe and intend to further develop PBC’s profitable franchise as an affluent proposition with a focus on wealthy regions to be among Europe’s leading retail banks. PBC’s Asian growth option will be leveraged by the 19.99% stake in Hua Xia Bank in China coupled with intensified cooperation, as well as further organic growth in India.

Consumer Banking will further pursue its growth path in Germany while further aligning its business and reducing costs via the implementation of organizational measures. Deutsche Bank and Postbank together are expected to continue their successful realization of synergies on the revenue and cost side. The integration of Postbank and the final conclusion of the domination and profit and loss transfer agreement in 2012 should enable PBC to fully achieve the synergies. Our new joint platform Magellan with integrated services, innovative tools and an end-to-end process model will drive PBC’s efficiency. While Postbank related cost-to-achieve (CtA) have peaked in 2012 in line with our integration plan, we forecast CtA related to our OpEx to increase compared to 2012. We expect our costs to further improve in 2013 – not at least thanks to growing synergies related to Powerhouse and initial savings related to OpEx.
However, in our German Advisory Banking and Consumer Banking business there are risks related to the Postbank integration process. On the cost side, there is a risk that synergies are not realized or are realized later than foreseen. Additionally, there is a risk that the costs to achieve the synergies are higher than expected. These risks are mitigated to the extent possible by a bottom up revalidation of synergy measures with ongoing tracking and reporting to senior management.

PBC may continue to face uncertainties in its operating environment, such as a risk of a significant decline in economic growth, which in turn would result in higher unemployment rates and could lead to increasing credit loss provisions and lower business growth, mainly outside Germany. The development of investment product markets and the respective revenues depend especially on the further development of the European macroeconomic environment. Additionally, the continued low interest rates may further negatively impact PBC’s deposit margins. However, PBC will aim to strengthen its German credit business and expand margins, especially outside Germany in the coming years while maintaining strict risk discipline and carefully optimizing capital demand.

Non-Core Operations Unit
The Non-Core Operations Unit (NCOU) is expected to contribute significantly to the Group’s published capital roadmap and target a reduction of Basel 3 equivalent RWAs to approximately € 90 billion by the end of the first quarter 2013 and to less than € 80 billion in total by December 31, 2013.

The reduction in non-core assets and their associated capital demand to the end of the first quarter 2013 will be achieved by sales of highly capital intensive assets in the portfolio. Going forward, the pace of reduction in assets and associated capital demand is anticipated to decline and the NCOU will continually evaluate the rationale of exit versus hold, to take advantage of market conditions and to optimize and protect shareholder value.

In the current market environment, where many of our competitors are also seeking to dispose of assets to improve their capital ratios, this strategy may prove difficult and unfavorable business or market conditions may also diminish our ability to sell such assets.

In addition, the NCOU includes significant investments in individual companies and carries other assets that are not part of our core business such as our stake in The Cosmopolitan of Las Vegas. These investments and assets are exposed to the opportunities and risks arising from their specific economic environment and make the timeline during which we divest our investments less certain.