# Management Report

## Operating and Financial Review

### Economic Environment

Global economic growth is expected to have accelerated in the third quarter of 2014, primarily thanks to stronger momentum in industrialized countries. Real GDP growth in the seven largest industrialized countries is likely to have increased compared to the prior quarter on an annualized basis from 1.7 % in the second quarter 2014 to 3.0 %. Economic activity in the eurozone is estimated to have picked up slightly in the third quarter 2014, after stagnating in the second quarter, and the German economy probably accelerated again, after it had slowed by 0.6 % on an annualized basis in the second quarter 2014. However, with some weaker data points over the course of the third quarter 2014, uncertainties over the near-term outlook for growth in the eurozone have risen somewhat.

Following strong growth of 4.6 % in the second quarter, economic momentum in the U.S. is likely to have let up slightly in the third quarter 2014. After experiencing a 7.1 % drop in the second quarter 2014 on an annualized basis, mostly due to the consumption tax increase, the Japanese economy is estimated to have expanded by 2.4 % in the third quarter 2014.

In China, economic growth slowed to 7.3 % year-on-year in the third quarter mainly due to weaker property investment. In Russia, purchasing manager survey results point to somewhat stronger growth in the third quarter 2014.

In Europe, lending to the private sector moderately declined further in the third quarter 2014, with deposit growth staying robust. Again, Germany outperformed the euro area as a whole both in retail and corporate lending, yet could not decouple from the overall weak environment. Banks in Europe continued to become slightly more confident with regard to business prospects and total assets also ticked up a bit. At the same time, banks' uptake of the ECB's new targeted long-term refinancing operations to support lending to the real economy remained modest so far.

In the U.S., lending growth remained brisk, especially with the corporate sector. Consumer lending was also buoyant, but residential mortgage volumes on banks' balance sheets broadly stagnated with securitization activity also substantially below prior year levels. However, sluggish borrowing to fund housing may largely be due to a still high share of cash-financed transactions rather than a weak real estate market. Deposit growth at U.S. banks slowed somewhat yet was still healthy.

In investment banking, the traditionally weak summer quarter came in as the strongest third quarter since the start of the financial crisis. Compared with a year ago, equity issuance boomed and M&A activity was also up substantially, leading to a surge in related revenues. Debt issuance was up slightly and syndicated lending remained about flat, resulting in more or less stagnating revenue flows in these segments. Trading volumes were broadly comparable to the same period in 2013.

In asset management, banks may have benefited from the moderately higher market volatility, while equity markets still remained close to record levels or even reached new all-time highs. Europe underperformed Asia and the U.S., despite a significant depreciation of the euro. European bond markets, however, climbed further and yields fell again to record lows – 10-year Bunds, for example offered investors less than 1 % p.a. for the first time in their history.

Litigation expenses and regulatory settlements continued to be a considerable burden for global banks, with several individual banks' settlements setting new records for corporate fines in the U.S.

In terms of policy, regulation and supervision, the third quarter 2014 was marked by the new European Commission taking shape, by the balance sheet review and stress testing of large euro-area banks proceeding and by the U.S. authorities announcing their intention to raise capital requirements for systemically important institutions even farther than agreed to internationally under the Basel 3 accord.

## Deutsche Bank Performance

After a challenging first half of the year, Deutsche Bank's performance in the third quarter continued to be resilient despite challenging market conditions including continued low interest rates, further litigation-related charges, decreases in market activity and increasing regulatory costs. We have strengthened our capital base and have continued to implement the cultural and cost initiatives laid out in Strategy 2015+. On October 26, 2014 the European Central Bank and the European Banking Authority released the results of their Comprehensive Assessment of European banks. This did not have an impact on our financial position.

The key financial results for the Group in the first nine months 2014 can be summarized as follows:

— Group net revenues were € 24.1 billion in the first nine months 2014, down 5 % versus the first nine months 2013;
— Income before income taxes was € 2.9 billion, down 11 % as compared to the first nine months 2013;
— Net income decreased to € 1.2 billion in the first nine months 2014, compared to € 2.0 billion in the first nine months 2013;
— Capital Requirements Regulation/Capital Requirements Directive 4 (CRR/CRD 4) fully loaded Common Equity Tier 1 capital ratio was 11.5 % at the end of the first nine months 2014;
— Fully loaded CRR/CRD 4 leverage ratio was 3.3 % at the end of the first nine months 2014;
— CRR/CRD 4 fully loaded risk-weighted assets were € 402 billion as of September 30, 2014.

The financial Key Performance Indicators (KPIs) of the Group for the first nine months are detailed in the table below:

| Group Key Performance Indicators | Sep 30, 2014 | Sep 30, 2013 |
|---|---|---|
| Post-tax return on average active equity (reported)[1] | 2.8 % | 4.9 % |
| Post-tax return on average active equity (adjusted)[2] | 8.2 % | 9.8 % |
| Cost/income ratio (reported)[3] | 85.0 % | 82.0 % |
| Cost/income ratio (adjusted)[4] | 73.6 % | 69.2 % |
| Cost savings[5] | € 2.9 bn | € 1.5 bn |
| Costs to achieve savings[6] | € 2.7 bn | € 1.3 bn |
| CRR/CRD 4 fully loaded Common Equity Tier 1 ratio[7] | 11.5 % | 9.7 % |
| Fully loaded CRR/CRD 4 leverage ratio[8] | 3.3 % | |

1 Based on Net Income attributable to Deutsche Bank shareholders.
2 Based on Net Income attributable to Deutsche Bank shareholders, adjusted for litigation, CtA, impairment of goodwill and intangible assets, other severances and CRR/CRD 4 Credit Valuation Adjustment (CVA)/Debt Valuation Adjustment (DVA)/Funding Valuation Adjustment (FVA). Calculation is based on an adjusted tax rate of 35 % for nine months ended September 30, 2014 and 32.7 % for nine months ended September 30, 2013. For further information, please refer to "Other Information: Non-GAAP Financial Measures" of this report.
3 Total noninterest expenses as a percentage of total net interest income before provision for credit losses plus noninterest income.
4 Based on noninterest expenses, adjusted for litigation, CtA, impairment of goodwill and intangible assets, policyholder benefits and claims, other severances and other divisional specific cost one-offs; divided by reported revenues. For further information, please refer to "Other Information: Non-GAAP Financial Measures" of this report.
5 Cost savings resulting from the implementation of the OpEx program.
6 Costs-to-achieve (CtA) savings are costs which are directly required for the realisation of savings in the OpEx program.
7 The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents our calculation of our Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4. Further detail on the calculation of this ratio is provided in the Risk Report.
8 Further detail on the calculation of this ratio is provided in the Risk Report.

# Consolidated Results of Operations

| in € m. (unless stated otherwise) | Three months ended Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % | Nine months ended Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % |
|---|---|---|---|---|---|---|---|---|
| Net revenues: | | | | | | | | |
| Thereof: | | | | | | | | |
| CB&S | 3,147 | 2,900 | 247 | 9 | 10,755 | 11,026 | (271) | (2) |
| PBC | 2,392 | 2,324 | 69 | 3 | 7,235 | 7,157 | 79 | 1 |
| GTB | 1,039 | 1,023 | 16 | 2 | 3,101 | 3,093 | 8 | 0 |
| Deutsche AWM | 1,267 | 1,265 | 1 | 0 | 3,468 | 3,550 | (82) | (2) |
| NCOU | 20 | 402 | (382) | (95) | 50 | 1,121 | (1,071) | (96) |
| Total net revenues | **7,864** | 7,745 | 119 | 2 | **24,116** | 25,351 | (1,235) | (5) |
| Provision for credit losses | **269** | 512 | (243) | (47) | **765** | 1,340 | (575) | (43) |
| Noninterest expenses | **7,328** | 7,215 | 113 | 2 | **20,488** | 20,787 | (299) | (1) |
| Income before income taxes | **266** | 18 | 248 | N/M | **2,864** | 3,224 | (361) | (11) |
| Income tax expense (benefit) | 358 | (33) | 391 | N/M | 1,614 | 1,178 | 436 | 37 |
| Net income (loss) | **(92)** | 51 | (143) | N/M | **1,250** | 2,047 | (797) | (39) |

N/M – Not meaningful

## 2014 to 2013 Three Months Comparison

Results in the third quarter 2014 reflect a solid performance despite the on-going market challenges. Higher net revenues were reported across Corporate Banking & Securities (CB&S), Private & Business Clients (PBC) and Global Transaction Banking (GTB), partially offset by reduced net revenues from the Non-Core Operations Unit (NCOU). Revenues in Deutsche Asset & Wealth Management (Deutsche AWM) remained stable. Higher revenues from increased client investment activity reflecting higher volatility and a slight improvement in market conditions across all businesses in the third quarter were partially offset by lower portfolio revenues from NCOU reflecting further de-risking. The Operational Excellence (OpEx) program focuses in 2014 on more complex initiatives and achieved further cost reductions in the quarter. These were offset by higher costs from increased regulatory requirements and continued investments in integrating platforms and process enhancements.

Group net revenues in the third quarter 2014 increased by 2 %, or € 119 million, to € 7.9 billion compared to € 7.7 billion in the third quarter 2013. CB&S revenues were € 3.1 billion, up € 247 million, or 9 %, versus the third quarter 2013. This was mainly attributable to Sales & Trading (debt and other products), where revenues were up by € 186 million, or 15 %, resulting from improved market conditions and increased client activity. PBC revenues were € 2.4 billion in the third quarter 2014, up € 69 million, or 3 %, compared to the third quarter 2013. The increase was primarily driven by an increase in loan volumes and increased revenues from Investment and Insurance products. Revenues in GTB of € 1.0 billion were slightly higher as compared to the third quarter 2013 with strong volumes compensating for the impacts from the challenging market environment. Deutsche AWM revenues of € 1.3 billion were stable compared to the third quarter 2013. NCOU revenues were € 20 million, a decrease by € 382 million in the third quarter 2014, reflecting a significant reduction in revenue generating assets as a result of further de-risking. Revenues in Consolidation & Adjustments (C&A) were net zero in the third quarter 2014, compared to negative € 168 million in the third quarter 2013, with the development predominantly attributable to valuation and timing differences from different accounting methods used for management reporting and IFRS, as well as FVA on internal uncollateralized derivatives between Treasury and CB&S.

Provision for credit losses was € 269 million in the third quarter 2014, a decrease of € 243 million, or 47 %, compared to the same period 2013. This reduction results from improvements across all businesses especially lower provisioning for IAS 39 reclassified assets in NCOU.

Noninterest expenses were € 7.3 billion in the third quarter, up € 113 million, or 2 %, compared to the third quarter 2013. Compensation and benefits, which amounted to € 3.2 billion, were up € 285 million, or 10 %, compared to the third quarter 2013. This primarily reflects higher fixed compensation costs to comply with regulatory requirements, mainly in CB&S, as well as strategic hires for our new control functions. General and administrative expenses of € 4.0 billion were down € 60 million, or 1 %, compared to the third quarter 2013. The cost base further increased due to higher expenses from increased regulatory requirements and on-going higher investments in platforms. Offsetting effects during the quarter include benefits from the ongoing implementation of our OpEx program and from the sale of BHF-BANK. Litigation-related charges were € 894 million in the third quarter 2014, which was lower by € 270 million compared to the third quarter 2013. Policyholder benefits and claims, which are offset by mark-to-market movements on investments held to back insurance policyholder claims in Abbey Life, were € 77 million in the third quarter 2014, a decrease of € 94 million compared to the third quarter 2013.

Group income before income taxes was € 266 million in the third quarter 2014 versus € 18 million in the third quarter 2013, as an increase in revenues was further supported by lower provision for credit losses, partially offset by increase in costs.

Net loss for the third quarter 2014 was € 92 million, compared to a net income of € 51 million in the third quarter 2013. In the third quarter 2014 Deutsche Bank recorded an income tax expense of € 358 million versus an income tax benefit of € 33 million in the comparative period. In the current quarter, the effective tax rate of 134 %, based on an income before income taxes of € 266 million, was mainly impacted by non tax deductible litigation charges.

## 2014 to 2013 Nine Months Comparison

Results in the first nine months 2014 reflect a mixed performance with higher net revenues in PBC, significantly reduced year-on-year revenue contributions from NCOU, lower net revenues in Deutsche AWM and CB&S, and substantially unchanged revenues in GTB. Lower client investment activity and a highly competitive environment were exacerbated by continued low interest rates and lower portfolio revenues, reflecting our de-risking strategy, resulted in decreased revenues. We made further progress in our OpEx program, which focuses in 2014 on more complex initiatives. Cost reductions arising from the OpEx program enabled us to partly offset higher costs incurred in relation to increased regulatory control requirements as well as the ongoing cost of platform integration and process enhancement.

Our net revenues in the first nine months 2014 decreased by 5 %, or € 1.2 billion to € 24.1 billion, compared to € 25.4 billion in the first nine months 2013. Despite lower market volatility, lower client activity and a challenging market environment, CB&S reported solid revenues of € 10.8 billion, down € 271 million, or 2 %, versus the first nine months 2013. Revenues in Sales & Trading (debt and other products) and Sales & Trading (equity) were largely unchanged compared to the first nine months of 2013. In the first nine months of 2014, revenues in PBC and GTB were stable at € 7.2 billion and € 3.1 billion, respectively. Revenues in Deutsche AWM decreased by € 82 million, or 2 %, to € 3.5 billion, versus the first nine months 2013 mainly driven by mark-to-market movements on policyholder positions in Abbey Life. Revenues in NCOU were € 50 million, a decrease of € 1.1 billion, in the first nine months 2014 due to lower portfolio revenues reflecting the significant reduction in assets year-on-year and mark-to-market losses of € 302 million from Maher Terminals' debt financing and € 151 million on exposure to the US power sector. Net revenues in Consolidation & Adjustments (C&A) were negative € 492 million in the first nine months 2014, compared to negative € 595 million in the first nine months 2013. This development was predominantly attributable to positive effects from different accounting methods used for management reporting and IFRS in the first nine months 2014.

Provision for credit losses was € 765 million in the first nine months 2014, a decrease of € 575 million, or 43 %, compared to the first nine months 2013. This reduction primarily results from lower provisioning in NCOU, the non-recurrence of large single items in our Core businesses recorded in the first nine months 2013 and the ongoing stability of the German retail market.

Noninterest expenses were € 20.5 billion in the first nine months of 2014, down € 299 million, or 1 %, compared to the same period in 2013. Compensation and benefits, which amounted to € 9.5 billion, were down € 127 million, or 1 %, compared to the first nine months in 2013. This primarily reflects lower performance related compensation, offset by an increase in fixed compensation costs to comply with regulatory requirements, mainly in CB&S, as well as strategic hires for our new control functions. General and administrative expenses were € 10.6 billion, up € 136 million, or 1 %, compared to the first nine months 2013. In the first nine months of 2014, cost-to-achieve for our OpEx program increased, as planned. Expenses relating to regulatory requirements and for investments in platforms were higher than in the comparative period. Litigation-related charges of € 1.4 billion in the first nine months of 2014 were € 562 million below the same period last year. In addition, the cost base was further reduced by savings from our OpEx program and the sale of BHF-BANK. Policyholder benefits and claims, which are offset by mark-to-market movements on investments held to back insurance policyholder claims in Abbey Life, were € 209 million in the first nine month of 2014, a decrease of € 147 million compared to 2013.

Overall, income before income taxes was € 2.9 billion in the first nine months 2014 versus € 3.2 billion in the first nine months 2013, mainly driven by lower revenues, partially offset by a lower provision for credit losses and lower costs.

Net income for the first nine months 2014 was € 1.2 billion, compared to € 2.0 billion in the first nine months 2013. Income tax expense in the first nine months was € 1.6 billion versus € 1.2 billion in the first nine months of 2013. The effective tax rate in the first nine months of 2014 of 56 % was mainly impacted by non tax deductible litigation charges. This compares to an effective tax rate of 37 % in the first nine months of 2013.

## Segment Results of Operations

The following tables present the results of the business segments, including the reconciliation to the consolidated results under IFRS, for the three months ended September 30, 2014 and September 30, 2013. See the “Segment Information” note to the consolidated financial statements for information regarding changes in the presentation of our segment disclosure.

| | Three months ended Sep 30, 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| in € m. (unless stated otherwise) | Corporate Banking & Securities | Private & Business Clients | Global Transaction Banking | Deutsche Asset & Wealth Management | Non-Core Operations Unit | Consolidation & Adjustments | Total Consolidated |
| Net revenues | 3,147 | 2,392 | 1,039 | 1,267 | 20 | 0 | 7,864 |
| Provision for credit losses | 33 | 150 | 43 | 1 | 42 | 0 | 269 |
| Total noninterest expenses | 2,737 | 1,886 | 657 | 977 | 1,026 | 46 | 7,328 |
| Thereof: | | | | | | | |
| Policyholder benefits and claims | 0 | 0 | 0 | 77 | 0 | 0 | 77 |
| Impairment of intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restructuring activities | 6 | 1 | (1) | 6 | 1 | 0 | 13 |
| Noncontrolling interests | 2 | 0 | 0 | 0 | 0 | (3) | 0 |
| Income (loss) before income taxes | 374 | 356 | 338 | 288 | (1,049) | (43) | 266 |
| Cost/income ratio | 87 % | 79 % | 63 % | 77 % | N/M | N/M | 93 % |
| Assets | 1,204,717 | 261,206 | 109,764 | 78,438 | 44,933 | 10,132 | 1,709,189 |
| Risk-weighted assets (CRR/CRD 4 – fully-loaded) | 183,607 | 79,983 | 42,724 | 15,823 | 59,944 | 19,425 | 401,505 |
| Average active equity | 25,385 | 14,291 | 6,029 | 6,466 | 7,554 | 5,205 | 64,930 |
| Pre-tax return on average active equity | 6 % | 10 % | 22 % | 18 % | (56) % | N/M | 2 % |
| Post-tax return on average active equity[1] | 3 % | 6 % | 14 % | 11 % | (35) % | N/M | (1) % |

N/M – Not meaningful

[1] The post-tax return on average active equity at the Group level reflects the reported effective tax rate for the Group, which was 134 % for the three months ended September 30, 2014. For the post-tax return on average active equity of the segments, our effective tax rate was adjusted to exclude the impact of permanent differences not attributed to the segments, so that the segment tax rates ranged from 36 % to 42 % for the current quarter.

| | Three months ended Sep 30, 2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| in € m. (unless stated otherwise) | Corporate Banking & Securities | Private & Business Clients | Global Transaction Banking | Deutsche Asset & Wealth Management | Non-Core Operations Unit | Consoli-dation & Adjustments | Total Consolidated |
| Net revenues | 2,900 | 2,324 | 1,023 | 1,265 | 402 | (168) | 7,745 |
| Provision for credit losses | 43 | 171 | 58 | 1 | 239 | 0 | 512 |
| Total noninterest expenses | 2,487 | 1,805 | 586 | 982 | 1,361 | (6) | 7,215 |
| Thereof: | | | | | | | |
| Policyholder benefits and claims | 0 | 0 | 0 | 171 | 0 | 0 | 171 |
| Impairment of intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restructuring activities | 7 | 3 | 4 | 16 | 0 | 0 | 30 |
| Noncontrolling interests | 9 | 0 | 0 | 0 | 1 | (10) | 0 |
| Income (loss) before income taxes | 361 | 347 | 380 | 283 | (1,199) | (153) | 18 |
| Cost/income ratio | 86 % | 78 % | 57 % | 78 % | N/M | N/M | 93 % |
| Assets | 1,263,283 | 267,550 | 88,500 | 79,943 | 78,313 | 10,382 | 1,787,971 |
| Risk-weighted assets (Basel 2.5) | 118,003 | 72,757 | 37,143 | 14,006 | 56,040 | 11,683 | 309,632 |
| Average active equity | 20,912 | 14,145 | 5,356 | 5,951 | 10,228 | 0 | 56,593 |
| Pre-tax return on average active equity | 7 % | 10 % | 28 % | 19 % | (47) % | N/M | 0 % |
| Post-tax return on average active equity[1] | 6 % | 8 % | 21 % | 14 % | (33) % | N/M | 0 % |

N/M – Not meaningful
[1] The post-tax return on average active equity at the Group level reflects the reported effective tax rate for the Group, which was (183) % for the three months ended September 30, 2013. For the post-tax return on average active equity of the segments, our effective tax rate was adjusted to exclude the impact of permanent differences not attributed to the segments, so that the segment tax rates ranged from 9 % to 29 % for the prior year's quarter.

The following tables present the results of the business segments, including the reconciliation to the consolidated results under IFRS, for the nine months ended September 30, 2014 and September 30, 2013. See the "Segment Information" note to the consolidated financial statements for information regarding changes in the presentation of our segment disclosure.

| | Nine months ended Sep 30, 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| in € m. (unless stated otherwise) | Corporate Banking & Securities | Private & Business Clients | Global Transaction Banking | Deutsche Asset & Wealth Management | Non-Core Operations Unit | Consoli-dation & Adjustments | Total Consolidated |
| Net revenues | 10,755 | 7,235 | 3,101 | 3,468 | 50 | (492) | 24,116 |
| Provision for credit losses | 93 | 435 | 114 | (7) | 128 | 1 | 765 |
| Total noninterest expenses | 7,887 | 5,520 | 2,053 | 2,812 | 2,082 | 133 | 20,488 |
| Thereof: | | | | | | | |
| Policyholder benefits and claims | 0 | 0 | 0 | 209 | 0 | 0 | 209 |
| Impairment of intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restructuring activities | 86 | 7 | 8 | 20 | 4 | 0 | 125 |
| Noncontrolling interests | 24 | 1 | 0 | 0 | 0 | (24) | 0 |
| Income (loss) before income taxes | 2,750 | 1,279 | 934 | 662 | (2,160) | (601) | 2,864 |
| Cost/income ratio | 73 % | 76 % | 66 % | 81 % | N/M | N/M | 85 % |
| Assets | 1,204,717 | 261,206 | 109,764 | 78,438 | 44,933 | 10,132 | 1,709,189 |
| Risk-weighted assets (CRR/CRD 4 – fully-loaded) | 183,607 | 79,983 | 42,724 | 15,823 | 59,944 | 19,425 | 401,505 |
| Average active equity | 23,701 | 14,346 | 5,802 | 6,327 | 7,565 | 1,098 | 58,840 |
| Pre-tax return on average active equity | 15 % | 12 % | 21 % | 14 % | (38) % | N/M | 6 % |
| Post-tax return on average active equity[1] | 10 % | 8 % | 14 % | 9 % | (25) % | N/M | 3 % |

N/M – Not meaningful
[1] The post-tax return on average active equity at the Group level reflects the reported effective tax rate for the Group, which was 56 % for the nine months ended September 30, 2014. For the post-tax return on average active equity of the segments, our effective tax rate was adjusted to exclude the impact of permanent differences not attributed to the segments, so that the segment tax rates were 35 % for the nine months ended September 30, 2014.

| in € m. (unless stated otherwise) | Corporate Banking & Securities | Private & Business Clients | Global Transaction Banking | Deutsche Asset & Wealth Management | Non-Core Operations Unit | Consolidation & Adjustments | Total Consolidated |
|---|---|---|---|---|---|---|---|
| | Nine months ended Sep 30, 2013 | | | | | | |
| Net revenues | 11,026 | 7,157 | 3,093 | 3,550 | 1,121 | (595) | 25,351 |
| Provision for credit losses | 120 | 476 | 230 | 14 | 500 | 0 | 1,340 |
| Total noninterest expenses | 7,859 | 5,343 | 1,842 | 2,954 | 2,751 | 38 | 20,787 |
| Thereof: | | | | | | | |
| Policyholder benefits and claims | 0 | 0 | 0 | 356 | 0 | 0 | 356 |
| Impairment of intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restructuring activities | 88 | 5 | 18 | 159 | 17 | 0 | 287 |
| Noncontrolling interests | 20 | 0 | 0 | 0 | 0 | (20) | 0 |
| Income (loss) before income taxes | 3,027 | 1,337 | 1,021 | 582 | (2,130) | (613) | 3,224 |
| Cost/income ratio | 71 % | 75 % | 60 % | 83 % | N/M | N/M | 82 % |
| Assets | 1,263,283 | 267,550 | 88,500 | 79,943 | 78,313 | 10,382 | 1,787,971 |
| Risk-weighted assets (Basel 2.5) | 118,003 | 72,757 | 37,143 | 14,006 | 56,040 | 11,683 | 309,632 |
| Average active equity | 20,004 | 13,797 | 5,009 | 5,725 | 10,978 | 0 | 55,513 |
| Pre-tax return on average active equity | 20 % | 13 % | 27 % | 14 % | (26) % | N/M | 8 % |
| Post-tax return on average active equity[1] | 14 % | 9 % | 19 % | 9 % | (18) % | N/M | 5 % |

N/M – Not meaningful
[1] The post-tax return on average active equity at the Group level reflects the reported effective tax rate for the Group, which was 37 % for the nine months ended September 30, 2013. For the post-tax return on average active equity of the segments, our effective tax rate was adjusted to exclude the impact of permanent differences not attributed to the segments, so that the segment tax rates were 31 % for the nine months ended September 30, 2013.

# Corporate Divisions

## Corporate Banking & Securities Corporate Division (CB&S)

| in € m. (unless stated otherwise) | Three months ended | | | | Nine months ended | | | |
|---|---|---|---|---|---|---|---|---|
| | Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % | Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % |
| Net revenues: | | | | | | | | |
| Sales & Trading (debt and other products) | 1,435 | 1,248 | 186 | 15 | 5,693 | 5,788 | (95) | (2) |
| Sales & Trading (equity) | 729 | 643 | 86 | 13 | 2,200 | 2,196 | 4 | 0 |
| Origination (debt) | 361 | 367 | (6) | (2) | 1,135 | 1,237 | (102) | (8) |
| Origination (equity) | 175 | 135 | 40 | 30 | 600 | 491 | 109 | 22 |
| Advisory | 155 | 155 | 1 | 1 | 393 | 340 | 53 | 16 |
| Loan products | 340 | 331 | 9 | 3 | 849 | 876 | (27) | (3) |
| Other products | (48) | 21 | (70) | N/M | (115) | 97 | (212) | N/M |
| Total net revenues | **3,147** | 2,900 | 247 | 9 | **10,755** | 11,026 | (271) | (2) |
| Provision for credit losses | **33** | 43 | (9) | (22) | **93** | 120 | (27) | (22) |
| Total noninterest expenses | **2,737** | 2,487 | 250 | 10 | **7,887** | 7,859 | 28 | 0 |
| Thereof: | | | | | | | | |
| Restructuring activities | 6 | 7 | (1) | (21) | 86 | 88 | (2) | (2) |
| Impairment of intangible assets | 0 | 0 | 0 | N/M | 0 | 0 | 0 | N/M |
| Noncontrolling interests | **2** | 9 | (7) | (79) | **24** | 20 | 3 | 17 |
| Income before income taxes | **374** | 361 | 13 | 4 | **2,750** | 3,027 | (276) | (9) |
| Post-tax return on average active equity (adjusted)[1,2] | 10 % | 11 % | | | 14 % | 19 % | | |

N/M – Not meaningful
[1] Based on Net Income (loss) after income taxes attributable to Deutsche Bank shareholders, as adjusted for litigation, CtA, impairment of goodwill and intangible assets, other severances and CVA / DVA / FVA. For further information, please refer to “Other Information: Non-GAAP Financial Measures” of this report.
[2] Calculation is based on an adjusted tax rate of 35 % for three and nine months ended Sep 30, 2014 and 32.7 % for three and nine months ended Sep 30, 2013.

### 2014 to 2013 Three Months Comparison

CB&S reported solid revenues in the third quarter 2014 reflecting improvements in the challenging market environment compared to a difficult third quarter 2013.

Third quarter 2014 net revenues were € 3.1 billion, an increase of € 247 million or 9 % from € 2.9 billion in the third quarter 2013. Net revenues included valuation adjustments relating to CVA RWA mitigation efforts, DVA, FVA and refinements in the calculation of IFRS CVA and FVA totalling a loss of € 173 million (third quarter 2013: a loss of € 75 million).

Sales & Trading (debt and other products) net revenues were € 1.4 billion in the third quarter 2014, an increase of € 186 million, or 15 %, compared to the third quarter 2013. Revenues in RMBS were significantly higher compared to a difficult quarter in the prior year. Revenues in Foreign Exchange were also significantly higher driven by an improved market environment and an increase in client activity reflecting increased volatility. Revenues in Rates were significantly lower than the prior year quarter primarily driven by FVA losses due to market movements and a calculation refinement. Flow Credit revenues were significantly lower than in the prior year quarter due to lower client activity. Revenues were in line with the prior year quarter in Global Liquidity Management, Distressed Products, Credit Solutions and Emerging Markets. Sales & Trading (debt and other products) net revenues included three valuation adjustment items totalling a loss of € 145 million. First, a mark-to-market gain of € 38 million (third quarter 2013: a loss of € 88 million) relating to RWA mitigation efforts arising on CVA. Second, a loss of € 58 million (third quarter 2013: nil) relating to a refinement in the calculation of IFRS CVA. Third, a FVA loss of € 126 million (third quarter 2013: nil) including a negative impact of € 51 million due to a calculation refinement.

Sales & Trading (equity) generated net revenues of € 729 million in the third quarter 2014, an increase of € 86 million, or 13 %, compared to the third quarter 2013. Prime Finance revenues were higher than the prior year quarter driven by increased client balances. Equity Trading and Equity Derivatives revenues were both in line with the prior year quarter.

Origination and Advisory generated net revenues of € 691 million in the third quarter 2014, in line with the prior year quarter. Revenues in Equity Origination were significantly higher than the prior year quarter driven by strong deal flow across regions. Revenues in Debt Origination and Advisory were both in line with the prior year quarter.

Loan products net revenues were € 340 million in the third quarter 2014, compared to € 331 million in the third quarter 2013.

Net revenues from Other products were a loss of € 48 million in the third quarter 2014 versus positive revenues of € 21 million in the prior year quarter. Net revenues from Other products included a DVA loss of € 28 million (third quarter 2013: a gain of € 24 million), including a gain of € 37 million related to a refinement in the calculation of IFRS CVA.

In provision for credit losses, CB&S recorded a net charge of € 33 million in the third quarter 2014, compared to a net charge of € 43 million in the third quarter 2013, due to decreased provisions taken in the Emerging Markets and Shipping portfolios.

Noninterest expenses increased by € 250 million, or 10 %, compared to the third quarter 2013. The increase was mainly due to fixed salary increases to comply with regulatory requirements, higher legal fees and higher collateralised loan obligation premiums due to rebates received in the third quarter 2013. This was partly offset by lower litigation settlement provisions.

Third quarter 2014 income before income taxes was € 374 million, up € 13 million compared to the prior year quarter. Higher revenues and lower litigation settlement provisions were offset by elevated noninterest expenses. Post-tax return on average active equity (adjusted) of 10 % was lower versus 11 % in the prior year quarter, mainly due to higher average active equity in 2014.

### 2014 to 2013 Nine Months Comparison

CB&S reported solid revenues in the first nine months of 2014 despite lower market volatility, lower client activity and a challenging market environment.

Net revenues in the first nine months of 2014 were € 10.8 billion, a slight decrease of € 271 million, or 2 %, from € 11.0 billion in the first nine months of 2013. Net revenues included valuation adjustments relating to CVA RWA mitigation efforts, DVA, FVA and refinements in the calculation of IFRS CVA and FVA totalling a loss of € 280 million (first nine months of 2013: a loss of € 26 million).

Sales & Trading (debt and other products) net revenues were € 5.7 billion in the first nine months of 2014, in line with the first nine months of 2013. Revenues in Foreign Exchange were lower than the first nine months of 2013 due to lower volatility and reduced client activity reflecting a challenging trading environment notably in the first six months of 2014. Core Rates revenues were lower than the first nine months of 2013 primarily driven by FVA losses due to market movements and a calculation refinement. Revenues in Flow Credit were significantly lower than the first nine months of 2013, driven by lower client activity. RMBS revenues were significantly higher than the first nine months of 2013 as market uncertainty in the prior year was not repeated. Revenues in Distressed Products were significantly higher than the first nine months of 2013 in both the U.S. and Europe. Global Liquidity Management, Credit Solutions and Emerging Markets revenues were in line with the prior year. Sales & Trading (debt and other products) net revenues included three valuation adjustment items totalling a loss of € 143 million. First, a mark-to-market gain of € 23 million (first nine months of 2013: a loss of € 104 million) relating to RWA mitigation efforts arising on CVA. Second, a loss of € 58 million (first nine months of 2013: nil) relating to a refinement in the calculation of IFRS CVA. Third, a FVA loss of € 108 million (first nine months of 2013: nil) including a negative impact of € 51 million due to a calculation refinement.

Sales & Trading (equity) generated net revenues of € 2.2 billion in the first nine months of 2014, in line with the first nine months of 2013. Prime Finance revenues were higher than the first nine months of 2013, driven by increased client balances. Equity Trading and Equity Derivatives revenues were both in line with the first nine months of 2013.

Origination and Advisory generated net revenues of € 2.1 billion in the first nine months of 2014, in line with the first nine months of 2013. Equity Origination revenues were higher than the first nine months of 2013 driven by strong deal flow. Revenues in Advisory were higher than the first nine months of 2013 reflecting increased market share. Debt Origination revenues slightly decreased versus the prior year period driven by a lower fee pool.

Loan products net revenues were € 849 million in the third quarter 2014, in line with the first nine months of 2013.

Net revenues from Other products were a loss of € 115 million in the first nine months of 2014, a decrease of € 212 million from the first nine months of 2013. Net revenues from Other products included a DVA loss of € 133 million (first nine months of 2013: a gain of € 89 million), including a gain of € 37 million related to a refinement in the calculation of IFRS CVA.

In provision for credit losses, CB&S recorded a net charge of € 93 million in the first nine months of 2014, compared to a net charge of € 120 million in the first nine months of 2013, due to decreased provisions taken in the Leveraged Finance portfolio.

Noninterest expenses increased by € 28 million. This increase was largely due to fixed salary increases to comply with regulatory requirements, the ongoing implementation of the Operational Excellence (OpEx) program and the associated costs to achieve, increased service relationships costs, and higher legal fees, with these offset by lower settlement provisions taken in respect of litigation.

Income before income taxes was € 2.8 billion for the first nine months 2014. This was down € 276 million compared to the first nine months 2013 results, driven by lower revenues. Post-tax return on average active equity (adjusted) was 14 %, which is lower compared to 19 % in the same period in 2013, due to higher average active equity and a lower adjusted income before income taxes for the first nine months 2014.

## Private & Business Clients Corporate Division (PBC)

| in € m. (unless stated otherwise) | Three months ended Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % | Nine months ended Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % |
|---|---|---|---|---|---|---|---|---|
| Net revenues: | | | | | | | | |
| Global credit products | 882 | 841 | 41 | 5 | 2,619 | 2,535 | 84 | 3 |
| Deposits | 743 | 741 | 1 | 0 | 2,249 | 2,261 | (12) | (1) |
| Payments, cards & account products | 249 | 258 | (9) | (3) | 743 | 765 | (21) | (3) |
| Investment & insurance products | 306 | 266 | 40 | 15 | 962 | 889 | 73 | 8 |
| Postal and supplementary Postbank Services | 103 | 107 | (3) | (3) | 311 | 323 | (12) | (4) |
| Other products | 110 | 111 | (2) | (1) | 351 | 384 | (33) | (9) |
| Total net revenues | 2,392 | 2,324 | 69 | 3 | 7,235 | 7,157 | 79 | 1 |
| Provision for credit losses | 150 | 171 | (21) | (13) | 435 | 476 | (41) | (9) |
| Total noninterest expenses | 1,886 | 1,805 | 81 | 4 | 5,520 | 5,343 | 177 | 3 |
| Thereof: Impairment of intangible assets | 0 | 0 | 0 | N/M | 0 | 0 | 0 | N/M |
| Noncontrolling interests | 0 | 0 | 0 | N/M | 1 | 0 | 0 | N/M |
| Income before income taxes | 356 | 347 | 10 | 3 | 1,279 | 1,337 | (57) | (4) |
| | | | | | | | | |
| Breakdown of PBC by business | | | | | | | | |
| Private & Commercial Banking: | | | | | | | | |
| Net revenues | 934 | 902 | 32 | 4 | 2,889 | 2,759 | 131 | 5 |
| Provision for credit losses | 20 | 26 | (7) | (25) | 59 | 67 | (8) | (12) |
| Noninterest expenses | 875 | 801 | 73 | 9 | 2,493 | 2,373 | 119 | 5 |
| Income before income taxes | 40 | 74 | (35) | (47) | 338 | 319 | 20 | 6 |
| | | | | | | | | |
| Advisory Banking International: | | | | | | | | |
| Net revenues | 537 | 506 | 31 | 6 | 1,607 | 1,541 | 66 | 4 |
| Provision for credit losses | 57 | 60 | (3) | (4) | 187 | 176 | 10 | 6 |
| Noninterest expenses | 299 | 292 | 7 | 2 | 947 | 845 | 102 | 12 |
| Income before income taxes | 181 | 155 | 26 | 17 | 473 | 520 | (47) | (9) |
| | | | | | | | | |
| Postbank:[1] | | | | | | | | |
| Net revenues | 921 | 915 | 6 | 1 | 2,739 | 2,857 | (118) | (4) |
| Provision for credit losses | 73 | 85 | (12) | (14) | 190 | 233 | (43) | (18) |
| Noninterest expenses | 712 | 712 | 0 | 0 | 2,080 | 2,125 | (45) | (2) |
| Noncontrolling interests | 0 | 0 | 0 | N/M | 1 | 0 | 0 | N/M |
| Income before income taxes | 135 | 117 | 18 | 15 | 468 | 498 | (30) | (6) |

N/M – Not meaningful
[1] Contains the major core business activities of Postbank AG as well as BHW and norisbank.

### 2014 to 2013 Three Months Comparison

PBC's income before income taxes slightly increased compared to the prior year quarter despite the continued low interest rate environment and some negative effects including charges for loan processing fees triggered by a change in German legal practice in May 2014. Furthermore, PBC's infrastructure expenses were above prior year levels mainly reflecting increased regulatory requirements and there was an increase of costs-to-achieve resulting from our OpEx program.

Net revenues in PBC increased by € 69 million, or 3 %, to € 2.4 billion, compared to the prior year quarter. Higher Credit revenues of € 41 million, or 5 %, compared to the third quarter 2013 reflected good growth momentum with higher loan volumes and improved loan margins. Revenues from Investment & insurance products increased by € 40 million, or 15 %, reflecting positive net new assets as well as higher levels of transactions compared to the prior year period. Net revenues from Deposit products remained stable compared to last year's third quarter in a continued challenging interest rate environment in Europe. Net revenues from Payments, cards & account products decreased by € 9 million, or 3 %, compared to the third quarter 2013, impacted by changes in regulatory requirements regarding payment fees. Net revenues from Postal and supplementary Postbank Services decreased by € 3 million, or 3 %, compared to the third quarter 2013. Other product revenues declined by € 2 million, or 1 %, reflecting decreased revenues related to Postbank nonoperating activities as well as a change in the reporting classification of certain product-related expenses. This decline was partly compensated by better performance of the Hua Xia Bank equity investment.

Provision for credit losses decreased by € 21 million, or 13 %, compared to the third quarter 2013 benefiting from the quality of PBC’s loan book and a benign economic environment in Germany.

Noninterest expenses increased by € 81 million, or 4 %, to € 1.9 billion, compared to the third quarter 2013. The increase was primarily driven by the aforementioned change in German legal practice in 2014 as well as by higher infrastructure expenses mainly reflecting increased regulatory requirements. In addition cost-to-achieve as part of our OpEx program increased. However, PBC continued to realize offsetting, incremental savings from efficiency measures as part of our OpEx program.

Income before income taxes increased by € 10 million, or 3 %, compared to the third quarter 2013.

Invested assets increased by € 3 billion compared to June 30, 2014, mainly due to inflows in deposits and securities partly offset by a decline in market values.

## 2014 to 2013 Nine Months Comparison

PBC performance continued to be affected by the low interest rate environment. In addition, several specific items impacted the results of the first nine months of both 2014 and 2013. The first quarter of 2014 was impacted by a subsequent gain in Private & Commercial Banking related to a business sale closed in a prior period. The second and third quarter of 2014 included charges for loan processing fees triggered by a change in German legal practice in May 2014. The first three quarters of last year benefitted from a partial release of a provision related to the Hua Xia Bank credit card cooperation and a partial release of loan loss allowances in Postbank. Apart from these effects, PBC’s result remained fairly stable compared to the prior year period.

Net revenues in PBC increased by € 79 million, or 1 %, versus the first nine months of 2013. Growth in revenues from Credit products of € 84 million, or 3 %, compared to the first nine months of 2013 was driven by an increase in loan volumes and improved loan margins. Net revenues from Investment & insurance products increased by € 73 million, or 8 %, compared to last year’s period, reflecting positive net new assets and higher levels of transactions. Net revenues from Other products decreased by € 33 million, or 9 %, compared to the first nine months of 2013. The first three quarters of 2014 included the aforementioned gain from a business sale closed in a prior period. This was more than offset by decreased revenues related to Postbank nonoperating activities as well as a change in the reporting classification of certain product-related expenses. Additionally, the first nine months of 2013 were positively impacted by a partial release of loan loss allowances in Postbank, which is reflected in Other product revenues as the allowances were created prior to consolidation. Net revenues from Payments, cards & accounts decreased by € 21 million, or 3 %, compared to the prior year period mainly caused by changes in regulatory requirements regarding payment fees. Net revenues from Deposits decreased by € 12 million, or 1 %, compared to the first nine months of 2013, as a result of de-leveraging mainly in Postbank. Net revenues from Postal and supplementary Postbank Services declined by € 12 million, or 4 %, compared to the first three quarters of 2013, reflecting usual revenue fluctuations.

Provision for credit losses decreased by € 41 million, or 9 %, versus the first nine months of 2013, benefiting from a favorable environment in Germany. In the prior year, an additional credit of € 61 million was recorded in other interest income, representing a partial release of loan loss allowances in Postbank as well as increases in the credit quality of Postbank loans recorded at fair value on initial consolidation by the Group.

Noninterest expenses increased by € 177 million, or 3 %, compared to the first nine months of 2013. The prior year period benefited from the release of a provision related to the Hua Xia Bank credit card cooperation whereas the current period reflects the negative impact of the aforementioned change in German legal practice. Additionally, higher infrastructure expenses, mainly caused by regulatory requirements, resulted in cost increases. Excluding these items, noninterest expenses remained stable between current and prior year periods.

Income before income taxes decreased by € 57 million, or 4 %, compared to the first nine months of 2013, mainly driven by specific items as mentioned above.

Invested assets increased by € 7 billion versus December 31, 2013, due to € 5 billion in net inflows, mainly in securities, and additional market appreciation.

## Global Transaction Banking Corporate Division (GTB)

| | Three months ended | | | | Nine months ended | | | |
|---|---|---|---|---|---|---|---|---|
| in € m.<br>(unless stated otherwise) | Sep 30,<br>2014 | Sep 30,<br>2013 | Absolute<br>Change | Change<br>in % | Sep 30,<br>2014 | Sep 30,<br>2013 | Absolute<br>Change | Change<br>in % |
| Net revenues: | | | | | | | | |
| Transaction services | 1,039 | 1,023 | 15 | 2 | 3,101 | 3,093 | 8 | 0 |
| Total net revenues | **1,039** | 1,023 | 15 | 2 | **3,101** | 3,093 | 8 | 0 |
| Provision for credit losses | **43** | 58 | (15) | (25) | **114** | 230 | (115) | (50) |
| Total noninterest expenses | **657** | 586 | 71 | 12 | **2,053** | 1,842 | 211 | 11 |
| Thereof: | | | | | | | | |
| Restructuring activities | (1) | 4 | (5) | N/M | 8 | 18 | (10) | (58) |
| Impairment of intangible assets | 0 | 0 | 0 | N/M | 0 | 0 | 0 | N/M |
| Noncontrolling interests | **0** | 0 | 0 | N/M | **0** | 0 | 0 | N/M |
| Income before income taxes | **338** | 380 | (41) | (11) | **934** | 1,021 | (88) | (9) |

N/M – Not meaningful

### 2014 to 2013 Three Months Comparison

The market environment for GTB became more challenging in the third quarter 2014 with further cuts to already low interest rates and heightened geopolitical risks, whilst at the same time the business environment remained highly competitive.

In this environment, GTB's net revenues increased by € 15 million, or 2 %, compared to the third quarter 2013. Revenues in Trade Finance benefited from growing volumes in Europe and Asia Pacific as well as stabilizing margins. In Securities Services, revenues increased due to strong volume growth. In Cash Management, the impact from the ongoing low interest rate environment was more than compensated by increased business activity.

Provision for credit losses of € 43 million in the third quarter 2014 decreased by € 15 million compared to the third quarter 2013, which is attributable to small movements in Trade Finance.

Noninterest expenses increased by € 71 million, or 12 %, compared to the prior year quarter. The increase was primarily driven by higher expenses to comply with regulatory requirements as well as increased revenue-related expenses. Furthermore, investments to enable business growth contributed to the higher cost base. The third quarter 2014 included cost-to-achieve related to the OpEx program of € 23 million versus € 18 million in the third quarter 2013.

Income before income taxes decreased by € 41 million, or 11 %, compared to the third quarter 2013 due to noninterest expenses outgrowing revenues under the difficult market conditions.

### 2014 to 2013 Nine Months Comparison

The market conditions in the first nine months 2014 continued to be challenging with ongoing low interest rates, a highly competitive environment and geopolitical risks in some GTB markets. The first nine months 2014 included a litigation-related charge.

Net revenues remained stable compared to the prior year period. The first nine months 2014 included a gain on the sale of registrar services GmbH, while in the prior year period a gain from the sale of Deutsche Card Services was recorded. In Trade Finance, revenues increased based on growing volumes and stabilizing margins especially in Europe and Asia Pacific. Revenues in Securities Services benefited from strong volumes. Cash Management developed solidly in an ongoing low interest rate environment.

Provision for credit losses was € 114 million in the first nine months 2014, compared to € 230 million in the first nine months 2013. The decrease is primarily attributable to the non-recurrence of a single client credit event that occurred in Trade Finance in 2013.

Noninterest expenses increased by € 211 million, or 11 %, compared to the prior year period. As mentioned before, the first nine months 2014 included a litigation-related charge. The remaining increase reflects higher expenses to comply with regulatory requirements and investments to enable business growth. Cost-to-achieve related to the OpEx program increased by € 26 million versus 2013.

Income before income taxes decreased by € 88 million, or 9 %, compared to the first nine months 2013 due to a litigation-related charge and higher noninterest expenses more than offsetting lower provision for credit losses.

## Deutsche Asset & Wealth Management Corporate Division (Deutsche AWM)

| | Three months ended | | | | Nine months ended | | | |
|---|---|---|---|---|---|---|---|---|
| in € m. (unless stated otherwise) | Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % | Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % |
| Net revenues: | | | | | | | | |
| Management Fees and other recurring revenues | 659 | 633 | 25 | 4 | 1,914 | 1,825 | 89 | 5 |
| Performance and transaction fees and other non recurring revenues | 250 | 229 | 21 | 9 | 592 | 657 | (66) | (10) |
| Net interest income | 147 | 135 | 12 | 9 | 455 | 432 | 23 | 5 |
| Other product revenues | 131 | 81 | 50 | 61 | 298 | 253 | 44 | 18 |
| Mark-to-market movements on policyholder positions in Abbey Life | 80 | 186 | (106) | (57) | 210 | 382 | (172) | (45) |
| Total net revenues | **1,267** | 1,265 | 1 | 0 | **3,468** | 3,550 | (82) | (2) |
| Provision for credit losses | **1** | 1 | 0 | (12) | **(7)** | 14 | (20) | N/M |
| Total noninterest expenses | **977** | 982 | (5) | (1) | **2,812** | 2,954 | (142) | (5) |
| Thereof: | | | | | | | | |
| Policyholder benefits and claims | 77 | 171 | (94) | (55) | 209 | 356 | (147) | (41) |
| Restructuring activities | 6 | 16 | (10) | (62) | 20 | 159 | (139) | (87) |
| Impairment of intangible assets | 0 | 0 | 0 | N/M | 0 | 0 | 0 | N/M |
| Noncontrolling interests | **0** | 0 | 1 | N/M | **0** | 0 | 0 | N/M |
| Income before income taxes | **288** | 283 | 6 | 2 | **662** | 582 | 80 | 14 |

N/M – Not meaningful

### 2014 to 2013 Three Months Comparison

In the third quarter of 2014, Deutsche AWM continued to benefit from higher market levels, increased net new money and greater assets under management. An increase in market volatility during the quarter increased client activity and trading revenues. However, performance continues to be impacted by increased regulatory costs and an ongoing low interest rate environment, which challenges deposit revenue margins.

In Deutsche AWM, net revenues were € 1.3 billion in the third quarter 2014, remaining stable compared to the third quarter 2013.

Management Fees and other recurring revenues increased by € 25 million, or 4 %, due to an increase in the average assets under management for the quarter following positive flow, increased market levels and foreign currency effects. Performance and transaction fees and other non-recurring revenues were up € 21 million, or 9 %, driven by higher transactional volumes from structured products and foreign exchange products for private clients. Net interest income increased by € 12 million, or 9 %, due to increased lending volume and improved lending margins in the third quarter of 2014. Other product revenues increased compared to the third quarter 2013 by € 50 million, or 61 %, mainly due to net gains on fair value changes. Mark-to-market movements on policyholder positions in Abbey Life decreased by € 106 million versus third quarter 2013.

Provision for credit losses remained unchanged compared to the third quarter 2013 at very low levels.

Noninterest expenses of € 977 million in the third quarter 2014 decreased by € 5 million, or 1 %, compared to the third quarter 2013 driven by lower policyholder benefits and claims, offset by prior year litigation reserve release, increased compensation costs mainly in respect of greater regulatory reporting requirements, and higher costs-to-achieve related to OpEx.

Income before income taxes was € 288 million in the third quarter 2014, an increase of € 6 million, or 2 %, compared to the third quarter 2013.

In the third quarter 2014, invested assets were € 1,006 billion as of September 30¸ 2014, an increase of € 51 billion versus June 30, 2014, mainly driven by foreign exchange movements of € 31 billion, inflows of € 17 billion and market appreciation of € 5 billion. Net inflows of € 17 billion were recorded across all products, with strong flows in both retail and institutional business.

## 2014 to 2013 Nine Months Comparison

In the first nine months of 2014, Deutsche AWM continued to benefit from higher market levels, increased net new money and greater assets under management. This has been offset by lower performance fees, reduced client activity and increased regulatory costs.

In Deutsche AWM, net revenues in the first nine months of 2014 decreased by € 82 million, or 2 %, compared to the first nine months of 2013. Management Fees and other recurring revenues increased by € 89 million, or 5 %, due to an increase of the average assets under management driven by positive flow and market effect. Performance and transaction fees and other non-recurring revenues were down € 66 million, or 10 % driven by lower performance fees in alternatives, and lower transaction revenues from capital markets and foreign exchange products for private clients. Net interest income increased by € 23 million, or 5 %, due to increased lending volumes and improved lending margins. Other product revenues increased compared to the first nine months of 2013 by € 44 million, or 18 %, partly due to higher revenues from alternative products. Mark-to-market movements on policyholder positions in Abbey Life decreased by € 172 million, or 45 %, versus the first nine months of 2013.

Provision for credit losses decreased by € 20 million compared to the first nine months of 2013 mainly resulting from lower specific client-related lending provisions and the recovery of prior losses in the second quarter 2014.

Noninterest expenses of € 2.8 billion in the nine months of 2014 decreased by € 142 million, or 5 %, compared to the first nine months 2013 driven by lower policyholder benefits, lower costs-to-achieve related to OpEx and the positive impact of ongoing OpEx program measures, offset by litigation reserve release in the prior year and increased compensation costs mainly in respect of greater regulatory reporting requirements.

Income before income taxes was € 662 million in the first nine months of 2014, an increase of € 80 million, or 14 %, compared to the first nine months of 2013, mainly due to lower noninterest expenses.

## Non-Core Operations Unit Corporate Division (NCOU)

| in € m. (unless stated otherwise) | Three months ended | | | | Nine months ended | | | |
|---|---|---|---|---|---|---|---|---|
| | Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % | Sep 30, 2014 | Sep 30, 2013 | Absolute Change | Change in % |
| Net revenues | **20** | 402 | (382) | (95) | **50** | 1,121 | (1,071) | (96) |
| Provision for credit losses | **42** | 239 | (197) | (82) | **128** | 500 | (372) | (74) |
| Total noninterest expenses | **1,026** | 1,361 | (335) | (25) | **2,082** | 2,751 | (669) | (24) |
| Thereof: | | | | | | | | |
| Restructuring activities | 1 | 0 | 1 | N/M | 4 | 17 | (13) | (76) |
| Impairment of intangible assets | 0 | 0 | 0 | N/M | 0 | 0 | 0 | N/M |
| Noncontrolling interests | **0** | 1 | 0 | (59) | **0** | 0 | 0 | N/M |
| Income (loss) before income taxes | **(1,049)** | (1,199) | 151 | (13) | **(2,160)** | (2,130) | (31) | 1 |

N/M – Not meaningful

### 2014 to 2013 Three Months Comparison

The results for NCOU this quarter reflect the on-going progress from de-risking activity, as well as fair value movements, impairments and developments related to litigation-related matters.

Net revenues for the NCOU in the reporting period decreased by € 382 million, or 95 %, to € 20 million. This includes the impact from lower portfolio revenues reflecting the significant reduction in assets year-on-year, as well as the net effect arising from valuation adjustments and mark-to-market impacts. NCOU's de-risking activity generated revenue losses of € 41 million compared to a marginal net gain in the same period in 2013.

Provision for credit losses in the third quarter 2014 were € 197 million lower versus the same quarter in 2013 due to lower provisions taken against IAS 39 reclassified assets, mainly driven by European Commercial Real Estate exposures.

Noninterest expenses decreased by € 335 million, or 25 %, compared to the third quarter 2013. The decrease versus the previous year was predominately due to lower litigation-related expenses, while direct costs have also decreased by € 51 million, or 14 %, driven by the sale of BHF-BANK.

The loss before income taxes decreased by € 151 million, versus the same quarter in 2013, primarily driven by the aforementioned movements and impacts.

### 2014 to 2013 Nine Months Comparison

During 2014, NCOU continued to execute its de-risking strategy with specific focus on the sale of operating assets, such as BHF-BANK and The Cosmopolitan of Las Vegas, as well as risk reductions across legacy IAS 39 reclassified assets, the Credit Correlation and Monoline portfolios as well as Commodities' exposures. Asset de-risking in 2014 has delivered net gains of € 124 million.

Net revenues in the NCOU were € 50 million, or 96 %, lower in the first nine months compared to the same period in 2013 primarily due to lower portfolio revenues reflecting the significant reduction in assets year-on-year. In addition, mark-to-market losses in 2014 include € 302 million from Maher debt refinancing and € 151 million arising on commodities exposure to the US power sector.

Provision for credit losses for the first nine months of 2014 were down € 372 million, or 74 % compared to the first nine months of 2013, due to lower provisions taken against IAS 39 reclassified assets, mainly driven by European Commercial Real Estate exposures.

Noninterest expenses for the first nine months of 2014 were € 2.1 billion, a decrease of € 669 million, or 24 %, compared to the same period in 2013, mainly driven by lower litigation-related expenses. Direct costs also decreased as a result of the divestment of certain operating assets including BHF-BANK. This was partly offset by an impairment of € 57 million taken in the current year.

The loss before income taxes increased by € 31 million versus the first nine months of the prior year, with each period having been impacted by a number of different factors as described above.

## Consolidation & Adjustments (C&A)

| in € m.<br>(unless stated otherwise) | Three months ended<br>Sep 30,<br>2014 | Sep 30,<br>2013 | Absolute<br>Change | Change<br>in % | Nine months ended<br>Sep 30,<br>2014 | Sep 30,<br>2013 | Absolute<br>Change | Change<br>in % |
|---|---|---|---|---|---|---|---|---|
| Net revenues | 0 | (168) | 168 | N/M | (492) | (595) | 103 | (17) |
| Provision for credit losses | 0 | 0 | 0 | N/M | 1 | 0 | 0 | N/M |
| Noninterest expenses | 46 | (6) | 51 | N/M | 133 | 38 | 95 | N/M |
| Noncontrolling interests | (3) | (10) | 7 | (73) | (24) | (20) | (4) | 18 |
| Income (loss) before income taxes | **(43)** | (153) | 110 | (72) | **(601)** | (613) | 11 | (2) |

N/M – Not meaningful

### 2014 to 2013 Three Months Comparison

Loss before income taxes in C&A was € 43 million in the third quarter 2014, compared to a loss of € 153 million in the prior year quarter. This development was predominantly attributable to valuation and timing differences from different accounting methods used for management reporting and IFRS, which showed a positive impact of € 4 million compared to negative € 59 million in the prior year quarter, as well as positive € 36 million FVA in the third quarter 2014 on internal uncollateralized derivatives between Treasury and CB&S.

### 2014 to 2013 Nine Months Comparison

Loss before income taxes in C&A was € 601 million in the nine months 2014, compared to a loss of € 613 million in the prior year nine months. Results in the first nine months 2014 included negative € 84 million FVA on internal uncollateralized derivatives between Treasury and CB&S. Valuation and timing differences were negative € 143 million compared to negative € 226 million in the same period last year, due to effects related to shifts of the euro and U.S. dollar interest rate curves and the impact from widened U.S. dollar/euro basis swap spread. Noninterest expenses in the first nine months 2014 also include a negative € 121 million from Bank levies compared to a negative € 66 million in the same period in the prior year.

# Financial Position

| in € m. (unless stated otherwise) | Sep 30, 2014 | Dec 31, 2013 | Absolute Change | Change in % |
|---|---|---|---|---|
| Cash and due from banks | 20,866 | 17,155 | 3,712 | 22 |
| Interest-earning deposits with banks | 79,201 | 77,984 | 1,217 | 2 |
| Central bank funds sold, securities purchased under resale agreements and securities borrowed | 54,002 | 48,232 | 5,770 | 12 |
| Trading assets | 196,360 | 210,070 | (13,710) | (7) |
| Positive market values from derivative financial instruments | 555,767 | 504,590 | 51,177 | 10 |
| Financial assets designated at fair value through profit or loss | 142,914 | 184,597 | (41,683) | (23) |
| Thereof: | | | | |
| Securities purchased under resale agreements | 76,949 | 116,764 | (39,815) | (34) |
| Securities borrowed | 32,098 | 32,485 | (387) | (1) |
| Loans | 395,842 | 376,582 | 19,260 | 5 |
| Brokerage and securities related receivables | 150,422 | 83,185 | 67,237 | 81 |
| Remaining assets | 113,815 | 109,006 | 4,809 | 4 |
| Total assets | **1,709,189** | 1,611,400 | 97,789 | 6 |
| Deposits | 543,153 | 527,750 | 15,403 | 3 |
| Central bank funds purchased, securities sold under repurchase agreements and securities loaned | 12,609 | 15,686 | (3,077) | (20) |
| Trading liabilities | 48,102 | 55,804 | (7,702) | (14) |
| Negative market values from derivative financial instruments | 539,461 | 483,428 | 56,033 | 12 |
| Financial liabilities designated at fair value through profit or loss | 58,844 | 90,104 | (31,261) | (35) |
| Thereof: | | | | |
| Securities sold under repurchase agreements | 36,698 | 73,642 | (36,944) | (50) |
| Securities loaned | 6,944 | 1,249 | 5,695 | N/M |
| Other short-term borrowings | 50,471 | 59,767 | (9,296) | (16) |
| Long-term debt | 146,166 | 133,082 | 13,084 | 10 |
| Brokerage and securities related payables | 170,396 | 118,992 | 51,404 | 43 |
| Remaining liabilities | 69,880 | 71,821 | (1,940) | (3) |
| Total liabilities | **1,639,083** | 1,556,434 | 82,648 | 5 |
| Total equity | **70,106** | 54,966 | 15,140 | 28 |

N/M – Not meaningful

## Movements in Assets

The overall increase of € 98 billion (or 6 %) as of September 30, 2014, compared to December 31, 2013 was primarily driven by a € 67 billion growth in brokerage and securities related receivables, following the seasonality pattern we typically observe of lower year-end levels versus higher volumes over the course of the year, and a € 51 billion increase in positive market values from derivative financial instruments during the period, largely related to foreign exchange and interest rate products, despite significant activity in trade restructuring to reduce mark-to-market and novation of trades.

The overall balance sheet increases include € 70 billion due to foreign exchange rate movements, in particular the significant strengthening of the U.S. dollar versus the euro during the third quarter, which accounted for € 51 billion of the increase.

Loans increased by € 19 billion, with exposure increases in CB&S, Deutsche AWM and GTB partly being offset by managed reductions in our NCOU.

Cash and due from banks as well as interest-earning deposits with banks increased in the same period by € 4 billion and € 1 billion, respectively, primarily driven by deposit growth.

Central bank funds sold, securities purchased under resale agreements and securities borrowed, under both accrual and fair value accounting, have decreased by € 34 billion in total, as a result of the adoption of IAS 32 R in 2014, allowing the offsetting of financial assets and financial liabilities for bilateral reverse repos and repos under certain conditions, and from managed reductions in our secured financing provided to clients.

Trading assets decreased by € 14 billion, primarily driven by debt securities, slightly being offset by an increase in equity securities.

## Movements in Liabilities

As of September 30, 2014, total liabilities increased by € 83 billion (or 5 %) compared to year-end 2013. Similar to the asset side, these increases largely reflect the impact of foreign exchange rate movements during the year.

Negative market values from derivative financial instruments increased by € 56 billion and brokerage and securities related payables were up by € 51 billion compared to December 31, 2013, primarily due to the same reasons driving the movements in positive market values from derivative financial instruments and brokerage and securities related receivables as outlined above.

Deposits were up by € 15 billion, with increases in our funding through transaction banking and retail partly being offset by lower volumes from unsecured wholesale.

Long-term debt increased by € 13 billion, primarily from higher funding activities which exceeded the amount of debt that matured in the first nine months of the year.

Central bank funds purchased, securities sold under repurchase agreements and securities loaned, under both accrual and fair value accounting, have decreased by € 34 billion in total, due to the adoption of IAS 32 R in 2014, allowing the offsetting of financial assets and financial liabilities for bilateral reverse repos and repos under certain conditions, and from reductions in secured funding of highly liquid inventory.

Other short-term borrowings were down by € 9 billion, primarily due to lower issuances in CB&S and, to a lesser extent, in GTB.

Trading liabilities decreased by € 8 billion, primarily driven by debt securities, slightly offset by an increase in equity securities.

## Liquidity

Liquidity reserves amounted to € 188 billion as of September 30, 2014 (compared with € 196 billion as of December 31, 2013), which generated a positive liquidity stress result as of September 30, 2014 (under the combined scenario).

## Equity

Total equity as of September 30, 2014 increased by € 15.1 billion compared to December 31, 2013. The main factors contributing to this development were a capital increase of € 8.5 billion from the issuance of 359,8 million new common shares in June 2014 and the issuance of new additional equity components (Additional Tier 1 securities, treated as equity according to IFRS) of € 3.5 billion on May 20, 2014. Further contributing to the increase were net income attributable to Deutsche Bank shareholders of € 1.2 billion, positive effects from exchange rate changes of € 2.1 billion (especially in the U.S. dollar) and unrealized net gains on financial assets available for sale of € 763 million, which mainly resulted from improved market prices of debt securities from European issuers. Partly offsetting were cash dividends paid to Deutsche Bank shareholders of € 765 million.

## Regulatory Capital

Starting January 1, 2014, the calculation of our regulatory capital and capital ratios incorporates the capital requirements following the Capital Requirements Regulation and Capital Requirements Directive 4, subject to certain transitional rules. Therefore when referring to the results according to the transitional rules we use the term “CRR/CRD 4”. When referring to the results according to the full application of the final envisaged framework we use the term “CRR/CRD 4 fully loaded”. In some cases, CRR/CRD 4 left in place unchanged transitional rules that had been adopted in earlier capital adequacy frameworks through Basel 2.5 regarding the risk weighting of certain categories of assets. These include rules permitting the grandfathering of equity investments at a risk-weight of 100 % and allowing the selection of the greater position of long and short positions as the basis for measurement in the Market Risk Standardized Approach rather than the sum of both long and short positions. In these cases, our CRR/CRD 4 methodology assumes that the impact of the expiration of these transitional rules will be mitigated through sales of the underlying assets or other measures prior to the expiration of the grandfathering provisions.

Tier 1 capital according to CRR/CRD 4 as of September 30, 2014 was € 62.7 billion, € 10.9 billion higher than at the end of 2013, resulting in a CRR/CRD 4 Tier 1 capital ratio of 15.5 % as of September 30, 2014, up from 14.6 % at December 31, 2013. Common Equity Tier 1 capital according to CRR/CRD 4 increased in the first nine months of 2014 by € 7.9 billion to € 59.6 billion, resulting in a CRR/CRD 4 Common Equity Tier 1 capital ratio of 14.7 % as of September 30, 2014, compared with 14.6 % at the end of 2013.

The increase in our Tier 1 capital in the first nine months of 2014 resulted mainly from a capital increase from authorized capital against cash contributions with gross proceeds of € 8.5 billion and the placement of CRR/CRD 4 compliant Additional Tier 1 Notes (the “AT1 Notes”) with an equivalent value of € 3.5 billion, both transactions completed in the second quarter of 2014. Our net income attributable to Deutsche Bank shareholders of € 1.2 billion in the first nine months of 2014, decreased by our dividend accrual of € 846 million, also contributed to the increase. These increases were partially offset by the derecognition of a further 10 % of our Legacy Hybrid Tier 1 instruments that are being phased out during the transitional period with a value of € 1.3 billion per year. We saw further negative impacts on our Tier 1 capital and Common Equity Tier 1 capital as a result of capital deductions that are being phased in at a rate of 20 % per year, including a deduction of deferred tax assets of € 624 million and a deduction of defined benefit pension fund assets of € 156 million. These amounts were not deducted at year-end 2013. Common Equity Tier 1 capital and Tier 1 capital were also negatively impacted by an adjustment made to an asset in the NCOU.

Our fully loaded CRR/CRD 4 Tier 1 capital as of September 30, 2014 was € 49.5 billion, € 15.5 billion higher than at year end 2013, resulting in a fully loaded CRR/CRD 4 Tier 1 capital ratio of 12.3 % as of September 30, 2014, up from 9.7 % at December 31, 2013. Our fully loaded CRR/CRD 4 Common Equity Tier 1 capital increased in the first nine months of 2014 by € 12.0 billion to € 46.0 billion, resulting in a fully loaded CRR/CRD 4 Common Equity Tier 1 capital ratio of 11.5 % as of September 30, 2014, compared with 9.7 % at the end of 2013.

The main increasing impact on Tier 1 capital came from the two capital issuance transactions in the first half of 2014 with a total volume of € 12.0 billion, therein € 8.5 billion in Common Equity Tier 1 capital. The increasing effects from the authorized capital issuance had in addition a positive effect on our Common Equity Tier 1 capital related thresholds resulting in a decrease of threshold dependent capital deductions for direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities as well as deferred tax assets arising from temporary differences (10/15 % rule).

Risk-weighted assets according to CRR/CRD 4 were € 404 billion as of September 30, 2014, € 104 billion (34.6 %) higher than at the end of 2013 according to Basel 2.5 rules, largely reflecting the impact of the CRR/CRD 4 framework as well as technical impacts from the aforementioned capital increases. Risk-weighted assets for credit risk increased in the first nine months of 2014 by € 48.8 billion, mainly driven by the implementation of the CRR/CRD 4 framework as well as FX impacts and Model updates. Additionally, the new calcula-

tion of risk-weighted assets for the CVA according to the CRR/CRD 4 framework added € 18.6 billion to the overall increase. Risk-weighted assets for market risk increased by € 24.4 billion mainly driven by the inclusion of former capital deduction items for higher risk securitization positions into the risk-weighted asset calculation according to the CRR/CRD 4 framework. The overall RWA increase of € 12.2 billion for operational risk was mainly driven by our early recognition of enhancements to our Advanced Measurement Approach (AMA) model in the second quarter which led to additional RWA of € 7.7 billion.

## Amendments to IAS 39 and IFRS 7, "Reclassification of Financial Assets"

As of September 30, 2014 and December 31, 2013 the carrying value of reclassified assets was € 7.5 billion and € 8.6 billion, respectively, compared with a fair value of € 7.6 billion and € 8.2 billion as of September 30, 2014 and December 31, 2013, respectively. These assets are held in the NCOU.

Please refer to the note "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 following is an update on the development of protection purchased from monoline insurers.

### Monoline exposure related to U.S. residential mortgages

| | | | | Sep 30, 2014 | | | | Dec 31, 2013 |
|---|---|---|---|---|---|---|---|---|
| in € m. | Notional amount | Value prior to CVA[1] | CVA[1] | Fair value after CVA[1] | Notional amount | Value prior to CVA[1] | CVA[1] | Fair value after CVA[1] |
| AA Monolines:[2] | | | | | | | | |
| Other subprime | 92 | 27 | (6) | 21 | 94 | 29 | (6) | 23 |
| Alt-A | 2,012 | 586 | (87) | 499 | 2,256 | 768 | (105) | 663 |
| Total AA Monolines[3] | **2,104** | **613** | **(93)** | **520** | 2,350 | 797 | (111) | 686 |

1 For monolines with actively traded CDS, the Credit Valuation Adjustment (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 monolines CVA methodology is reviewed on a quarterly basis by management.
2 Ratings are the lowest of Standard & Poor's, Moody's or our own internal credit ratings.
3 A portion of the mark-to-market monoline exposure has been mitigated with CDS protection arranged with other market counterparties and other economic hedge activity.

### Other Monoline exposure

| | | | | Sep 30, 2014 | | | | Dec 31, 2013 |
|---|---|---|---|---|---|---|---|---|
| in € m. | Notional amount | Value prior to CVA[1] | CVA[1] | Fair value after CVA[1] | Notional amount | Value prior to CVA[1] | CVA[1] | Fair value after CVA[1] |
| AA Monolines:[2] | | | | | | | | |
| TPS-CLO | 1,335 | 248 | (41) | 207 | 1,512 | 298 | (41) | 257 |
| CMBS | 780 | 0 | 0 | 0 | 1,030 | (3) | 0 | (3) |
| Student loans | 310 | 0 | 0 | 0 | 285 | 0 | 0 | 0 |
| Other | 500 | 55 | (6) | 49 | 511 | 69 | (7) | 62 |
| Total AA Monolines | **2,925** | **303** | **(47)** | **256** | 3,338 | 364 | (48) | 316 |
| Non Investment-Grade Monolines:[2] | | | | | | | | |
| TPS-CLO | 320 | 69 | (16) | 53 | 353 | 67 | (8) | 58 |
| CMBS | 1,432 | 0 | 0 | 0 | 1,444 | 7 | 0 | 6 |
| Corporate single name/Corporate CDO | 26 | 5 | 0 | 5 | 0 | 0 | 0 | 0 |
| Student loans | 655 | 62 | (8) | 54 | 604 | 116 | (11) | 105 |
| Other | 760 | 102 | (38) | 64 | 827 | 90 | (31) | 60 |
| Total Non Investment-Grade Monolines | **3,193** | **238** | **(62)** | **176** | 3,228 | 280 | (50) | 229 |
| Total[3,4] | **6,118** | **541** | **(109)** | **432** | 6,566 | 644 | (98) | 545 |

1 For monolines with actively traded CDS, the Credit Valuation Adjustment (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 monolines CVA methodology is reviewed on a quarterly basis by management.
2 Ratings are the lowest of Standard & Poor's, Moody's or our own internal credit ratings.
3 Excludes counterparty exposure to monoline insurers that relates to wrapped bonds of € 19 million as of September 30, 2014, and € 15 million as of December 31, 2013, which represents an estimate of the potential mark-downs of wrapped assets in the event of monoline defaults.
4 A portion of the mark-to-market monoline exposure has been mitigated with CDS protection arranged with other market counterparties and other economic hedge activity.

## Related Party Transactions

We have business relationships with a number of companies in which we own significant equity interests. We also have business relationships with a number of companies where members of our Management Board hold positions on boards of directors or non-executive boards. Our business relationships with these companies cover many of the financial services we provide to our clients generally. For more detailed information, please refer to the section “Other Financial Information” of this Interim Report.

## Management and Supervisory Board

Effective July 1, 2014, Louise M. Parent was named a member of the Supervisory Board of Deutsche Bank AG. She succeeds Suzanne Labarge, who decided to step down from the Supervisory Board with effect from June 30, 2014. Suzanne Labarge had been on Deutsche Bank’s Supervisory Board since 2008. The appointment of Louise M. Parent is based on a proposal by the Supervisory Board’s Nomination Committee. In line with the recommendation of the German Corporate Governance Code she was appointed by the court as Suzanne Labarge’s successor for the period until the conclusion of the next ordinary General Meeting. Louise M. Parent was Executive Vice President and General Counsel at American Express from 1993 to 2013. As an attorney, she has more than thirty years of experience in the financial sector and legal field.

## Events after the Reporting Period

After the reporting date no material events occurred which had a significant impact on our results of operations, financial position and net assets.

# Outlook

The following section should be read in conjunction with the Outlook section in the Management Report provided in the Financial Report 2013 that outlined our expectations for 2014 and 2015.

## The Global Economy

We see the different blocs of the global economy moving at different speeds with increasing headwinds in Europe's economy which is likely to impact business conditions. We expect global economic growth to increase slightly from 3.0 % to 3.2 % in 2014 and then to accelerate to 3.7 % next year. Global growth in 2015 will probably be somewhat below the average of the past ten years. Real GDP in the U.S. is estimated to rise by 2.4 % in 2014, thus expanding at around the same pace as in 2013. In 2015, we expect growth will accelerate to 3.6 % in the U.S., even if the Federal Reserve's monetary policies are likely to be less expansive next year.

The eurozone economy, noticeably buoyed by the expected even more expansionary monetary policy is expected to continue on its moderate and yet still fragile growth trajectory, expanding by 0.7 % in 2014. Next year, we expect a growth rate of 1.0 %. However, over the last weeks, we have seen several signs indicating additional uncertainties for the near-term outlook. Among the large eurozone countries, Germany should see the strongest expansion, driven by growth in the domestic economy of 1.5 % in both 2014 and 2015. The economic recovery in the UK is likely to continue this year, and the economy should grow by 3.1 %. Next year, however, growth there will probably slow down to 2.5 %, which is still above the average of the past ten years. In Japan, despite the dampening impact from the consumption tax increase in April, the economy is expected to grow at an annual average of 1.0 % in 2014. For 2015, we expect a slight acceleration in the pace of economic growth there to 1.3 %. In industrialized countries, we project overall growth will accelerate to 1.8 % in 2014 and continue rising to 2.4 % in 2015.

In contrast, economic growth of the developing and emerging market economies in 2014 is expected to slow down to 4.4 % in 2014. However, an acceleration to 4.9 % growth is expected next year. The merely moderate growth in emerging market and developing countries is due to, in particular, the economic slowdown in China and Brazil. Economic growth in China, at 7.3 % in 2014, below last year's level and the expectation is this will weaken to 7.0 % in 2015. The Brazilian economy is projected to expand by only 0.3 % in 2014, compared to 2.5 % in 2013. For 2015, we anticipate the Brazilian economy will expand by 1.0 %. The Russian economy is also expected to expand more slowly this year. Here, we project growth will only come to 0.5 % and may rise in 2015 to 1.0 % at the most. Among the BRIC countries, India is the only country we expect to experience a strong acceleration in growth, namely from 4.4 % to 5.5 % in 2014, with a further increase to 6.5 % in 2015.

There are various geopolitical risks that could have an impact on our projections. A further deterioration of the Ukraine crisis, which could lead to a spiral of sanctions from Western countries and Russia's reactions, poses a risk to the development of the European economy, in particular, if there is a restriction or even a discontinuation of Russia's oil and natural gas deliveries. Furthermore, there is the risk that conflicts in the Middle East could lead to a significant rise in oil prices and could thus dampen global economic activity.

## The Banking Industry

With economic prospects overshadowed by recent weakness, banks' business in Europe may also struggle to pick up substantial speed. Still, the contraction in corporate lending in the euro area is likely to moderate further, while household lending could continue to stagnate. In the U.S., the core loan and deposit-taking business with the private sector looks set to perform well in the next few quarters.

Overall, restructuring in the European banking sector may not be quite over as financial results so far are unsustainably weak. In the U.S., by contrast, bank profitability could well increase further from a very good level, though loan loss provisions may have to rise moderately. Particularly for individual institutions in both regions, litigation costs remain an important tail risk.

The outlook for investment banking is brighter, as companies on both sides of the Atlantic may increasingly aim to put their large cash reserves to work and financial markets seem willing to provide abundant and extremely cheap funding for projects seen to be attractive.

Similarly, investor demand due to the low interest rate environment may continue to drive capital market valuations, not just in equity but even in some bond markets, with the U.S. fixed income market probably being the exception. Here the impact of the Fed's approaching exit from its ultra-expansive monetary policy may be felt most significantly and potentially quite suddenly. In Europe, large-scale asset purchases by the ECB could counter upward pressure on bond yields stemming from the developments in the U.S.

With regard to financial regulation and supervision, in Europe the main topics for the rest of this year and 2015 are likely to be the ECB's takeover of large-bank supervision in the euro area in November, the entry into force of the Bank Recovery and Resolution Directive (BRRD) in January 2015, the start of the implementation of the Liquidity Coverage Ratio (LCR) in January, too, and legislative proposals regarding e.g. the so-called bank structural reform and the financial transaction tax. In the U.S., even higher capital and liquidity requirements could be imposed especially on large institutions, in addition to other measures possibly targeting housing finance, money market funds or the repo market.

## The Deutsche Bank Group

In 2012, as part of our Strategy 2015+, five levers have been identified as key to Deutsche Bank in order to achieve our vision: Capital, Cost, Clients, Culture and Competencies. Additionally, financial targets have been announced by the Group to highlight the financial objectives of Strategy 2015+. In May 2014, we announced a series of measures, including the launch of a capital increase which has since raised € 8.5 billion of fresh capital, to reinforce Strategy 2015+. In this context, we have updated our financial aspirations. The financial Key Performance Indicators (KPIs) of the Group are detailed in the table below.

| Group Key Performance Indicators[1] | Sep 30, 2014 | Target for 2015 | Target for 2016 |
|---|---|---|---|
| Post-tax return on average active equity[2] | (adjusted) 8.2 % | ~ (adjusted) 12 % | ~ 12 % |
| Cost/income ratio | (adjusted) 73.6 % | ~ (adjusted) 65 % | ~ 65 % |
| Cost savings[3] | € 2.9 bn per annum | € 4.5 bn per annum | € 4.5 bn per annum |
| Costs to achieve savings[4] | € 2.7 bn | € 4 bn | € 4 bn |
| CRR/CRD 4 fully loaded Common Equity Tier 1 ratio[5] | 11.5 % | Greater than 10 % | Greater than 10 % |
| Fully loaded CRR/CRD 4 Leverage Ratio[6] | 3.3 % | 3.5 % | 3.5 % |

1 The adjusted and reported Post-tax return on average active equity, the adjusted and reported Cost/Income ratio, and the fully loaded CRR/CRD 4 Leverage Ratio presented in the table above are non-GAAP financial measures. Descriptions of these non-GAAP financial measures and the adjustments made to the most directly comparable financial measures under IFRS or CRR/CRD 4, can be found in "Other Information: Non-GAAP Financial Measures" of this report.
2 Assuming a Group tax rate between 30 % and 35 %.
3 Cost savings (gross) resulting from the implementation of the OpEx program.
4 Costs to achieve (CtA) savings are costs which are directly required for the realisation of savings in the OpEx program.
5 The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents our calculation of our Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4. Further detail on the calculation of this ratio is provided in the Risk Report.
6 The fully loaded CRR/CRD 4 Leverage Ratio represents our calculation following the publication of CRR/CRD 4 on June 27, 2013 as amended. Further detail on the calculation of this ratio is provided in the Risk Report.

Our updated aspirations are based on a number of key assumptions. We have assumed that new regulations, such as the CRD 4 and EBA guidance, will be implemented in line with our expectations, that global gross domestic product growth will stabilize in the range of 2 % to 4 % per annum over the relevant period, that there will be no major increases in interest rates before 2016 in the markets in which we operate and that central bank intervention in the U.S. financial markets will continue to recede.

The completion of the capital increase is a substantial and integral part of our updated aspirations. With our increased CRR/CRD 4 fully loaded Common Equity Tier 1 capital position we build a strong capital base which underpins our commitment to our global universal banking model and reinforces our ability to address future regulatory challenges. Additionally, the capital will allow us to manage our risk-weighted assets while improving our fully loaded CRR/CRD 4 Leverage Ratio.

Under the OpEx program we continue to strive for greater cost efficiency. We are ahead of our plan to achieve € 4.5 billion in cumulative savings by 2015. Cost savings enable us to address increasing costs to meet new regulations. The program is also transforming how we do business and how we work with each other. We plan to replace our ageing IT systems with new standard, scalable platforms that have better controls. We intend to become more disciplined when buying goods and services, putting the right people in the right places, taking a fresh look at our processes and flattening our structure to reduce bureaucracy and promote faster decision-making. After two years of OpEx, we are a stronger bank thanks to our commitment to deliver on our promises and our partnership with colleagues all over the world and we are confident to stay on track regarding our target of € 4.5 billion in annual savings by the end of 2015.

Client centricity is one of our core values. We have launched a Group-wide project to enhance our understanding of our clients and better gauge their needs and satisfaction levels. Under the Client Centricity program, we also plan to introduce a new mechanism to encourage greater cross-divisional collaboration, creating a more seamless experience for our customers when they work with different parts of the Group. We are driving a holistic transformation of our technology estate to provide an agile, reliable environment that meets the needs of our business partners and clients more effectively. After the capital-raising in May 2014, we are now well-placed to increase market share and reinforce our leading position through targeted investments in our businesses.

Our values and beliefs lie at the heart of our goal of long-term cultural change. They guide our behaviors with clients, shareholders, colleagues and the communities we serve. As an important step on the journey of cultural change, we recently launched the updated Deutsche Bank Code of Business Conduct and Ethics. It will help us turn our values and beliefs into action as it sets out the standards of ethical business conduct required from every employee. This and other initiatives including bank-wide training programs continue our drive to embed cultural change and is intended to enable the continuous improvement of our processes and platforms by embracing new and better ways of operating.

Our outlook and performance expectations are based on various economic and operational assumptions. Positive market movements, competitor withdrawals and the implementation of our Strategy 2015+ program may enable us to increase revenues, restrict costs, enhance customer satisfaction, increase margins, enhance capital positions and expand market share beyond our current levels and therefore provide further opportunities for growth for the Group.

There are also risks regarding the future economic environment, the regulatory landscape, and anticipated interest rates and central bank action. A reignition of the European sovereign debt crisis, weakness in global, regional and national economic conditions, regulatory changes that may further increase our costs or restrict our activities, or further tightening of margins could also negatively affect our ability to implement our strategy or realize the benefits from it. Following the financial crisis, the frequency of legal and regulatory proceedings, governmental and regulatory examinations, investigations and inquiries, and the weight of resolutions of such proceedings has increased dramatically. These matters expose Deutsche Bank to substantial financial damages and legal defense costs, and possible regulatory restrictions. It is likely that the Group will incur significant expense in connection with all or some of the proceedings, regardless of the ultimate outcome. For an overview on current proceedings as well as contingent liabilities please refer to section ‘Other Contingencies’ of this report.

## The Business Segments

Corporate Banking & Securities (CB&S) along with the rest of the investment banking industry saw improved revenues in the third quarter 2014, reflecting an increase in volatility towards the end of the quarter and positive conditions for corporate finance. Going forward a slightly more positive outlook for Debt Sales & Trading reflects a potential return to more normalized levels of volatility due to diverging central bank policies. However, the industry continues to face significant headwinds from the changing regulatory environment, ongoing pressure on financial resources, and ongoing macroeconomic uncertainty. Building on improved revenue momentum in 2014 we will continue to consolidate our strengths through ongoing platform investments, complying with new regulatory requirements and dynamically allocating resources across both the business and client portfolio in order to deliver sustainable returns. For 2014 and 2015, we are broadly on track to deliver on our updated Strategy 2015+ objective of an adjusted post-tax return on average active equity of 13 % to 15 %, but challenges and uncertainties remain.

For Private & Business Clients (PBC) the overall macroeconomic outlook for countries in which we operate improved in 2014 and is expected to remain on its moderate growth path in 2015. However, the entire market environment is likely to continue to be challenging. A near-term relief from the low interest rate environment after continued deterioriation in 2014 is not expected and might continue to impact our deposit revenues. Our aim is to strengthen our core German credit business by further expanding margins, whilst maintaining strict risk discipline and carefully optimizing capital use. The development of investment product revenues is particularly dependent on movements in the European macroeconomic environment and the recovery of customer confidence in Germany. We will continue to focus on realizing potential from our Private & Commercial Banking business unit by leveraging our integrated commercial banking coverage model for small and mid-sized corporate clients, a joint venture between PBC and GTB. Additionally, we are looking to further strengthen our advisory banking business in other important European markets, and optimize the benefits generated from our growth investments in key Asian countries. Furthermore, we plan to invest in systems to improve digital capabilities in Germany and Europe. The ongoing integration of Postbank will enable us to realize additional synergies and cost savings. The quarterly cost-to-achieve costs for the Postbank integration and other measures of our OpEx program are variable dependent on the milestones of individual projects. For the full year, however, costs-to-achieve are expected to be largely in line with initial targets. For 2015 we maintain our updated Strategy 2015+ ambition of generating income before income taxes of € 2.5 billion to € 3 billion, once the full benefits from Postbank integration are achieved.

In Global Transaction Banking (GTB), market conditions are likely to remain challenging following recent cuts of already low interest rates, a highly competitive environment and geopolitical risks. In addition, cost-to-achieve related to the OpEx program as well as other expenses in relation to the execution of our Strategy 2015+ may impact our 2014 results. This may be offset by volume growth in cash management and trade finance transactions when we see continued stabilization and growth in the global economy. For 2015, we maintain our ambition to grow income before income taxes to € 1.6 billion to € 1.8 billion as growth initiatives should start to yield results.

Deutsche Asset & Wealth Management (Deutsche AWM) expects to remain on track to deliver its Strategy 2015+ aspiration of € 1.7 billion of income before income taxes by the end of next year. Achieving this aspiration will depend in part on the successful execution of a number of initiatives aimed at enhancing our client offering and further strengthening our operating and technology platform. In respect of the former, in wealth management a key focus is to expand the services we provide ultra high net worth clients worldwide. In asset management, we will develop additional products based on active, passive, systematic, liquid alternative and real asset investment strategies, in response to evolving client requirements. Additionally, we plan to broaden our relationships with CB&S, PBC and GTB to expand the distribution of our products and explore additional joint initiatives to better serve our clients. The investment program for our operating and technology platform continues to progress. We anticipate that it will generate further efficiencies, while delivering improved systems that enhance the client experience. Uncertainties exist that may impact future performance. Falls in client transactional activity, could impact wealth management revenues, particularly with respect to equities and foreign exchange and careful management of the cost base will be crucial in light of rising regulatory expenditure.

The strategy and mandate for the Non-Core Operations Unit (NCOU) is aligned with the Bank's overall objectives namely freeing up capital and balance sheet through de-risking and reducing leverage across the remaining assets and business activities. Challenges remain for the successful execution of this strategy. The NCOU includes significant investments in individual companies and carries other assets that are no longer part of our core business. These investments and assets are exposed to changes in the economic environment and market conditions. Such changes may make the associated timeline for de-risking activity less certain and may also impact future results. The pace of de-risking has slowed as the portfolio size has reduced. This is expected to create a heightened sensitivity to volatility in risk-weighted asset calculations and thereby impact overall capital delivery in the near term. In addition to the uncertainty which arises from the NCOU de-risking strategy, we also expect that the litigation environment will continue to be challenging.

# Risk Report

## Introduction

### Risk Management Framework

The wide variety of our businesses 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. We manage risk and capital through a framework of principles, organizational structures and monitoring processes that are closely aligned with the activities of the divisions and business units. Further information about our risk management framework, which has remained principally unchanged since year-end 2013, can be found in our Financial Report 2013.

### Basel 3 and CRR/CRD 4

In the European Union, the new Basel 3 capital framework was implemented by the "Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" as amended (Capital Requirements Regulation, or "CRR"), and the "Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" as amended (Capital Requirements Directive 4, or "CRD 4") published on June 27, 2013. The CRR/CRD 4 framework replaced the laws implementing the international capital adequacy standards as recommended by the Basel Committee on Banking Supervision, commonly referred to as Basel 2 and Basel 2.5. In order to create a single "rulebook" for credit institutions and investment firms in the European Union, the CRR was made directly applicable to them, which eliminated the need for national implementing legislation with respect to the regulatory areas covered by it. As a result, the German Banking Act (KWG) was amended to remove all provisions that have been supplanted by the CRR. Newly effective provisions governing regulatory capital requirements, the assessment of counterparty risk and securitizations, and many other regulations relevant for Deutsche Bank are now located in the CRR. In addition, the CRD 4 was implemented into German law by means of further amendments to the German Banking Act (KWG) and the German Solvency Regulation (SolvV) and accompanying regulations. Jointly, these laws and regulations represent the new regulatory framework applicable in Germany to, among other things, capital, leverage and liquidity as well as Pillar 3 disclosures.

The new regulatory framework became effective on January 1, 2014, subject to certain transitional rules. Therefore when referring to the results according to the transitional rules we use the term "CRR/CRD 4". When referring to our results according to the full application of the final envisaged framework (and thus without consideration of applicable transitional methodology), we use the term "CRR/CRD 4 fully loaded". In some cases, CRR/CRD 4 left in place unchanged transitional rules that had been adopted in earlier capital adequacy frameworks through Basel 2.5 regarding the risk weighting of certain categories of assets. These include rules permitting the grandfathering of equity investments at a risk-weight of 100 % and allowing the selection of the greater position of long and short positions as the basis for measurement in the Market Risk Standardized Approach rather than the sum of both long and short positions. In these cases, our CRR/CRD 4 methodology assumes that the impact of the expiration of these transitional rules will be mitigated through sales of the underlying assets or other measures prior to the expiration of the grandfathering provisions.

The new minimum capital ratios are being phased in until 2015. Most regulatory adjustments (i.e., capital deductions and regulatory filters) are being phased in through 2018. Capital instruments that no longer qualify under the new rules are being phased out through 2022. New capital buffer requirements are being phased in by 2019. Although they are subject to supervisory reporting starting from 2014, binding minimum requirements for short-term liquidity will be introduced in 2015 and a standard for longer term liquidity is expected to become effective in 2018. The introduction of a binding leverage ratio is expected from 2018 following disclosure of the ratio starting in 2015.

In addition to tightening capital requirements the CRR/CRD 4 framework also changed some of the nomenclatures relating to capital adequacy and regulatory capital, such as the use of the term Common Equity Tier 1 in place of the term Core Tier 1.

As there are still some interpretation uncertainties with regard to the CRR/CRD 4 rules and some of the related binding Technical Standards are not yet finally available, we will continue to refine our assumptions and models as our and the industry's understanding and interpretation of the rules evolve. In this light, our CRR/CRD 4 measures may differ from our earlier expectations, and as our competitors' assumptions and estimates regarding such implementation may also vary, our CRR/CRD 4 measures may not be comparable with similarly labeled measures used by our competitors.

### Scope of Consolidation

The following risk disclosures providing quantitative information are presented in accordance with International Financial Reporting Standards (IFRS). Consequently, the disclosure is generally based on the IFRS principles of valuation and consolidation. However, for a few disclosures, regulatory principles of consolidation are relevant and differ from those applied for our financial statements. These principles were not materially affected by the new CRR/CRD 4 framework and are described in more detail in our Financial Report 2013. Where the regulatory relevant scope is used, this is explicitly stated.

## Overall Risk Assessment

Key risk categories for us include credit risk, market risk, operational risk (including legal risk), business risk (including tax and strategic risk), reputational risk, liquidity risk, model risk and compliance risk (in accordance with MaRisk, i.e., minimum requirements to risk management). We manage the identification, assessment and mitigation of top and emerging risks through an internal governance process and risk management tools and processes. Our approach for identification and impact assessment aims to ensure that we mitigate the impact of these risks on our financial results, long term strategic goals, and reputation.

As part of our regular risk and cross-risk analysis, sensitivities of the key portfolio risks are reviewed using a bottom-up risk assessment and a top-down macro-economic scenario analysis, which includes geopolitical considerations. This two-pronged approach allows us to capture not only risks that have an impact across our risk inventories and business divisions but also those that are relevant only to specific portfolios.

Current portfolio-wide risks on which we continue to focus include: the potential re-escalation of the European sovereign debt crisis, the impact of U.S. policy tightening on Emerging Market economies and selected other asset classes, broader credit/market risk trends and the potential risk of a geopolitical shock, most particularly in relation to the continuing tensions between Russia and Ukraine. These risks have been a consistent focus throughout recent quarters. The assessment of the potential impacts of these risks is made primarily through integration into our group-wide stress tests which assess our ability to absorb these events should they occur. The results of these tests showed that we currently have adequate capital and liquidity reserves to absorb the impact of these risks if they were to materialize in line with the stress tests' parameters.

In addition, impact of market volatility in late September / early October 2014 is being closely monitored and tightly managed.

The first nine months of 2014 continued to demonstrate global regulatory trends seen in 2013, which we view as likely to persist through the coming years. We are focused on identifying potential regulatory changes and assessing the possible impacts on our business model and processes.

# Risk Profile

Our mix of various business activities results in diverse risk taking by our business divisions. We measure the key risks inherent in their respective business models through the undiversified Total Economic Capital metric, which mirrors each business division's risk profile before taking into account cross-risk effects at the Group level.

### Risk Profile of our Business Divisions as measured by total Economic Capital

| | | | | | | | | Sep 30, 2014 |
|---|---|---|---|---|---|---|---|---|
| | Corporate Banking & Securities | Private & Business Clients | Global Transaction Banking | Deutsche Asset & Wealth Management | Non-Core Operations Unit | Consoli-dation & Adjustments | | Total |
| in % (unless stated otherwise) | | | | | | | in € m. | in % |
| Credit Risk | 19 | 11 | 7 | 1 | 3 | 0 | 13,099 | 42 |
| Market Risk | 17 | 10 | 1 | 5 | 5 | 9 | 14,475 | 47 |
| Operational Risk | 11 | 4 | 0 | 3 | 5 | 0 | 6,778 | 22 |
| Business Risk | 6 | 0 | 0 | 0 | 2 | 0 | 2,497 | 8 |
| Diversification Benefit[1] | (10) | (3) | (1) | (2) | (3) | 0 | (6,017) | (20) |
| Total EC in € m. | 13,202 | 6,742 | 2,383 | 2,155 | 3,667 | 2,682 | 30,831 | 100 |
| In % | 43 | 22 | 8 | 7 | 12 | 9 | 100 | 0 |

1 Diversification benefit across credit, market, operational and strategic risk (largest part of business risk)

| | | | | | | | | Dec 31, 2013[1] |
|---|---|---|---|---|---|---|---|---|
| | Corporate Banking & Securities | Private & Business Clients | Global Transaction Banking | Deutsche Asset & Wealth Management | Non-Core Operations Unit | Consoli-dation & Adjustments | | Total |
| in % (unless stated otherwise) | | | | | | | in € m. | in % |
| Credit Risk | 17 | 14 | 7 | 1 | 5 | 0 | 12,013 | 44 |
| Market Risk | 17 | 11 | 1 | 6 | 6 | 7 | 12,738 | 47 |
| Operational Risk | 9 | 3 | 0 | 2 | 5 | 0 | 5,253 | 19 |
| Business Risk | 5 | 0 | 0 | 0 | 1 | 0 | 1,682 | 6 |
| Diversification Benefit[2] | (7) | (3) | (1) | (2) | (4) | 0 | (4,515) | (17) |
| Total EC in € m. | 11,176 | 6,671 | 2,039 | 2,010 | 3,566 | 1,710 | 27,171 | 100 |
| In % | 41 | 25 | 8 | 7 | 13 | 6 | 100 | 0 |

1 Amounts allocated to the business segments have been restated to reflect comparatives according to the structure as of September 30, 2014.
2 Excluding strategic risk which was not included in the calculation of the diversification benefit for 2013.

Corporate Banking & Securities' (CB&S) risk profile is dominated by its trading in support of origination, structuring and market making activities, which gives rise to market risk and credit risk. Further credit risks originate from exposures to corporates and financial institutions. Under CB&S' current business model, the remainder is derived from operational risks and business risk, primarily from potential legal and earnings volatility risks, respectively.

In contrast to this, Private & Business Clients' (PBC) risk profile is comprised of credit risk from retail, small and medium-sized enterprises (SMEs) lending as well as nontrading market risk from investment risk, modeling of client deposits and credit spread risk.

Global Transaction Banking's (GTB) focus on trade finance implies that the vast majority of its risk originates from credit risk with a small portion from market risk mainly in relation to derivative positions.

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

The Non-Core Operations Unit (NCOU) portfolio includes activities that are non-core to the Bank's strategy; assets materially affected by business, environment, legal or regulatory changes; assets earmarked for de-risking; assets suitable for separation; and assets with significant capital absorption but low returns. NCOU's risk profile covers risks across the entire range of our operations comprising credit risks and also market and operational risks (including legal risks) targeted where possible for accelerated de-risking.

## Risk Management Executive Summary

### Credit Risk Summary

- Concerns over the outlook for global growth, coupled with geopolitical concerns and fears over the impact of US monetary policy tightening, drove a significant increase in market volatility in late September/early October. These concerns centered primarily on the eurozone where GDP stagnated in Q2 and is expected to grow only marginally in the second half of the year before a pick-up in 2015. The ECB has responded to this, and falling inflation, with additional stimulus measures including rate cuts and preparations for private sector asset purchases. In contrast, growth in the US remains solid supported by improving labour market conditions. The picture is mixed across Emerging Markets, but growth in aggregate is expected to accelerate modestly in 2015. Geopolitical risks remain elevated with tensions between Russia and the West in relation to the Ukraine escalating further in Q3 and pockets of heightened stress in the Middle East, Hong Kong and Africa. Potential impacts of these events on the credit portfolio are being monitored closely and we currently expect no material credit losses as a result. Credit exposure to Russia based on a country of domicile principle is € 5.2 billion as of September 30, 2014, focused on corporates in strategically important industry sectors. Credit exposure to Ukraine is relatively small at € 0.5 billion as of September 30, 2014.
- Provision for credit losses was € 765 million in the first nine months 2014, a decrease of € 575 million, or 43 %, compared to the first nine months 2013. This reduction primarily results from lower provisioning in NCOU, the non-recurrence of large single items in our Core businesses recorded in the first nine months 2013 and the ongoing good quality of the German retail market.
- Increase in corporate credit exposure by € 57.0 billion or 11.9 % driven by acquisition financings, ongoing growth strategy in Asia and increased loan exposures in North America.
- The portion of our corporate credit portfolio book carrying an investment-grade rating amounted to 72 % at September 30, 2014, marginally higher compared with December 31, 2013.
- The economic capital usage for credit risk increased by € 1.1 billion to € 13.1 billion as of September 30, 2014, compared with € 12.0 billion at year-end 2013. This was mainly driven by higher risk exposures in CB&S.

### Market Risk Summary

- The nontrading market risk economic capital usage increased to € 9.8 billion as of September 30, 2014, compared with € 8.5 billion at year-end 2013. This increase was caused by a € 968 million increase in other non trading market risk economic capital mainly driven by higher Structural FX exposure and methodology enhancements for pension risk implemented in the second quarter 2014 and a € 338 million higher investment risk economic capital.
- The economic capital usage for trading market risk totalled € 4.6 billion as of September 30, 2014, compared with € 4.2 billion at year-end 2013. The increase was mainly driven by increased exposures in the fair value banking book.
- The average value-at-risk for the first nine months of 2014 was € 53.4 million and decreased slightly by € 0.2 million compared with the full year 2013. There has been a decrease in credit spread risk and commodities risk offset by an increase in interest rate risk and equity risk. Diversification benefit across risk types has decreased due to changes in the portfolio composition.

## Operational Risk Summary

- The economic capital usage for operational risk increased by € 1.5 billion to € 6.8 billion as of September 30, 2014, compared with € 5.3 billion at year-end 2013. The increase was mainly driven by an early recognition of the impact of model enhancements to our Advanced Measurement Approach (AMA) model implemented in the second quarter.
- While our dialogue with BaFin on these model enhancements is on-going, management has decided to recognise the impact of these model changes where such changes will lead to an increase in capital requirement over our models that have been previously approved by BaFin.

## Liquidity Risk Summary

- Liquidity reserves amounted to € 188 billion as of September 30, 2014 (compared with € 196 billion as of December 31, 2013). We maintained a positive liquidity stress result as of September 30, 2014 (under the combined scenario).
- Our issuance plan of € 30-35 billion was completed in September 2014. Capital markets issuance activities in the first nine months of 2014 amounted to € 36.2 billion.
- 72 % of our overall funding came from the funding sources we categorize as the most stable including capital markets issuance and equity, retail and transaction banking deposits.

## Capital Management Summary

- The CRR/CRD 4 Common Equity Tier 1 capital ratio was 14.7 % as of September 30, 2014, compared with 14.6 % at year-end 2013.
- Risk-weighted assets according to CRR/CRD 4 increased by € 104 billion to € 404 billion as of September 30, 2014, compared with € 300 billion according to Basel 2.5 at year-end 2013, largely reflecting the impact of the CRR/CRD 4 framework.
- The internal capital adequacy ratio increased to 177 % as of September 30, 2014, compared with 167 % as of December 31, 2013.
- The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio was 11.5 % as of September 30, 2014, compared with 9.7 % at year-end 2013.

## Balance Sheet Management Summary

- Our leverage ratio calculated as the ratio of total assets under IFRS to total equity under IFRS was 24 as of September 30, 2014, down compared with 29 at year end 2013.
- As of September 30, 2014, our fully loaded CRR/CRD 4 leverage ratio, which is a non-GAAP financial measure, was 3.3 %, compared with 2.4 % as of December 31, 2013, taking into account a fully loaded Tier 1 capital of € 49.5 billion over an applicable exposure measure of € 1,478 billion (€ 34.0 billion and € 1,445 billion as of December 31, 2013, respectively).
- On October 10, 2014 the European Commission adopted a delegated act introducing substantial changes in the calculation which lead to an increase of the leverage exposure measure to € 1,526 billion and a decrease of the leverage ratio to 3.2 % as of September 30, 2014.

# Credit Risk

## Credit Exposure Classifications

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

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

| | | | | | | | Sep 30, 2014 |
|---|---|---|---|---|---|---|---|
| in € m. | Probability of default[1] | Loans[2] | Irrevocable lending commitments[3] | Contingent liabilities | OTC derivatives[4] | Debt securities available for sale | Total |
| iAAA–iAA | 0.00–0.04 % | 38,762 | 21,206 | 6,583 | 17,330 | 46,827 | 130,708 |
| iA | 0.04–0.11 % | 44,308 | 49,830 | 18,212 | 14,311 | 5,245 | 131,907 |
| iBBB | 0.11–0.50 % | 54,463 | 40,063 | 20,773 | 4,938 | 1,558 | 121,795 |
| iBB | 0.50–2.27 % | 48,021 | 31,659 | 12,601 | 5,476 | 1,012 | 98,769 |
| iB | 2.27–10.22 % | 19,188 | 12,823 | 5,115 | 1,509 | 336 | 38,971 |
| iCCC and below | 10.22–100 % | 10,103 | 1,402 | 1,544 | 586 | 40 | 13,674 |
| Total | | 214,845 | 156,983 | 64,827 | 44,150 | 55,019 | 535,825 |

1 Reflects the probability of default for a one year time horizon.
2 Includes impaired loans mainly in category iCCC and below amounting to € 5.1 billion as of September 30, 2014.
3 Includes irrevocable lending commitments related to consumer credit exposure of € 9.7 billion as of September 30, 2014.
4 Includes the effect of netting agreements and cash collateral received where applicable.

| | | | | | | | Dec 31, 2013 |
|---|---|---|---|---|---|---|---|
| in € m. | Probability of default[1] | Loans[2] | Irrevocable lending commitments[3] | Contingent liabilities | OTC derivatives[4] | Debt securities available for sale | Total |
| iAAA–iAA | 0.00–0.04 % | 33,213 | 19,791 | 8,318 | 19,222 | 35,699 | 116,243 |
| iA | 0.04–0.11 % | 43,193 | 31,009 | 19,285 | 11,934 | 5,332 | 110,753 |
| iBBB | 0.11–0.50 % | 50,441 | 37,326 | 20,234 | 6,700 | 1,764 | 116,465 |
| iBB | 0.50–2.27 % | 43,529 | 25,363 | 11,604 | 4,775 | 920 | 86,191 |
| iB | 2.27–10.22 % | 16,173 | 11,927 | 4,382 | 1,711 | 443 | 34,635 |
| iCCC and below | 10.22–100 % | 11,076 | 1,245 | 1,807 | 374 | 85 | 14,587 |
| Total | | 197,625 | 126,660 | 65,630 | 44,716 | 44,242 | 478,874 |

1 Reflects the probability of default for a one year time horizon.
2 Includes impaired loans mainly in category iCCC and below amounting to € 5.9 billion as of December 31, 2013.
3 Includes irrevocable lending commitments related to consumer credit exposure of € 9.8 billion as of December 31, 2013.
4 Includes the effect of netting agreements and cash collateral received where applicable.

The above table shows an overall increase in our corporate credit exposure during the first nine months of 2014 of € 57.0 billion or 11.9 %. Acquisition financings for highly rated counterparties in the third quarter were key drivers for the increase in irrevocable lending commitments of € 30.3 billion, supported by rapid de-risking strategy. The increase in loans of € 17.2 billion was mainly attributable to Asia driven by the bank's growth strategy in this region and North America. The increase in debt securities available for sale of € 10.8 billion is almost exclusively related to the top rating band.

## 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.

### Consumer Credit Exposure

| | Total exposure in € m. | | 90 days or more past due as a % of total exposure[1] | | Net credit costs as a % of total exposure | |
|---|---|---|---|---|---|---|
| | Sep 30, 2014 | Dec 31, 2013 | Sep 30, 2014 | Dec 31, 2013 | Sep 30, 2014 | Dec 31, 2013 |
| Consumer credit exposure Germany | 147,634 | 145,929 | 1.22 | 1.23 | 0.24 | 0.23 |
| Consumer and small business financing | 20,742 | 20,778 | 4.16 | 3.81 | 1.15 | 1.04 |
| Mortgage lending | 126,892 | 125,151 | 0.74 | 0.81 | 0.09 | 0.10 |
| Consumer credit exposure outside Germany | 38,515 | 38,616 | 5.40 | 5.38 | 0.68 | 0.76 |
| Consumer and small business financing | 11,745 | 12,307 | 11.26 | 11.34 | 1.66 | 1.75 |
| Mortgage lending | 26,770 | 26,309 | 2.83 | 2.60 | 0.26 | 0.29 |
| Total consumer credit exposure[2] | **186,149** | 184,545 | **2.08** | 2.10 | **0.33** | 0.34 |

[1] Retrospective as per December 31, 2013, the 90 days or more past due volume of Postbank Consumer Credit Exposure Germany was restated by € 626 million (or 0.43 % of total Consumer Credit Exposure in Germany) erroneously not included in prior disclosure.
[2] Includes impaired loans amounting to € 4.4 billion as of September 30, 2014 and € 4.2 billion as of December 31, 2013.

The volume of our consumer credit exposure increased from year-end 2013 to September 30, 2014 by € 1.6 billion, or 0.9 %, mainly driven by mortgage lending in Germany which increased by € 1.7 billion. Outside Germany, the consumer credit exposure in India increased by € 227 million and in Poland by € 196 million. The consumer credit exposure in Italy decreased by € 266 million partly driven by a sale of non-performing loans. The volume in Portugal decreased by € 121 million and in Spain by € 102 million.

The 90 days or more past due ratio in the consumer and small business financing in Germany increased, driven by increased overdue volumes in the Postbank portfolio, compensated by improved German mortgage lending. The 90 days or more past due ratio in consumer and small business financing outside Germany benefited from the before mentioned sale of non-performing loans in Italy.

The slight increase of net credit costs as a percentage of total exposure in Germany compared to last year is driven by a higher positive effect from non-performing loan sales in 2013. The decrease of this ratio outside Germany compared to last year is positively impacted from the aforementioned non-performing loan sale in Italy in the third quarter 2014.

## Credit Risk Exposure to certain Eurozone Countries

Certain eurozone countries are presented within the tables below due to heightened concerns relating to sovereign risk caused by the wider European sovereign debt crisis. This heightened risk is driven by a number of factors impacting the associated sovereign including high public debt levels and/or large deficits, 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. Funding conditions and overall financial stability have improved over the past 18 months with bond yields returning, in most cases, to sustainable levels and capital outflows having partly reversed and weaker countries having regained access to the capital markets. Ireland and Portugal have both exited their bailouts without precautionary credit lines. Greece, however, saw yields rise sharply in late September/early October 2014 due to concerns over whether its fundamentals are strong enough to exit the bailout. Some of these countries have exited recession and all are expected to return to positive growth over the course of 2015.

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

— In our “risk management” view, we consider the domicile of the group parent, thereby reflecting the one obligor principle. All facilities to a group of borrowers which are linked to each other (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 approach and principles as outlined in our Financial Report 2013. Also, in our risk management view, we classify exposure to special purpose entities based on the domicile of the underlying assets as opposed to the domicile of the special purpose entities. Additional considerations apply for structured products. If, for example, a structured note is issued by a special purpose entity domiciled in Ireland, it will be considered an Irish risk in a “country of domicile” view, but if the underlying assets collateralizing the structured note are German mortgage loans, then the exposure would be included as German risk in the “risk management” view.
— In our “country of domicile” view we aggregate credit risk exposures to counterparties by allocating them to the domicile of the primary counterparty, irrespective of any link to other counterparties, or in relation to credit default swaps underlying reference assets from these eurozone countries. Hence we also include counterparties whose group parent is located outside of these countries and exposures to special purpose entities whose underlying assets are from entities domiciled in other countries.

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

| in € m. | Sep 30, 2014 | Dec 31, 2013 |
|---|---|---|
| Greece | 436 | 466 |
| Ireland | 445 | 455 |
| Italy | 14,931 | 15,419 |
| Portugal | 1,002 | 708 |
| Spain | 8,559 | 9,886 |
| Total | **25,373** | 26,935 |

Net credit risk exposure with certain eurozone countries decreased by €1.6 billion since year-end 2013. This was mainly due to lower exposure to Spain and Italy driven by reductions in trading and derivative Sovereign positions, partly offset by increases in Portugal mostly from trading positions to diversified Corporates.

Our above exposure is principally highly diversified, low risk retail portfolios and small and medium enterprises in Italy and Spain, as well as stronger corporate and diversified mid-cap clients. Our financial institutions exposure is predominantly geared towards larger banks in Spain and Italy, typically collateralised. Sovereign exposure is at low level.

The following tables, which are based on the “country of domicile” view, present our gross position, the included amount thereof of undrawn exposure and our net exposure to these eurozone countries. The gross exposure reflects our net credit risk exposure grossed up for net credit derivative protection purchased with underlying reference assets domiciled in one of these countries, guarantees received and collateral. Such collateral is particularly held with respect to our retail portfolio, but also for financial institutions predominantly based on derivative margining arrangements, as well as for corporates. In addition the amounts also reflect the allowance for credit losses. In some cases, our counterparties’ ability to draw undrawn commitments is limited by terms included in the specific contractual documentation. Net credit exposures are presented after effects of collateral held, guarantees received and further risk mitigation, including net notional amounts of credit derivatives for protection sold/(bought). The provided gross and net exposures to certain eurozone 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 do not allow a meaningful disaggregated notional presentation by country, e.g., as identical notional exposures represent different levels of risk for different tranche levels.

### Gross position, included undrawn exposure and net exposure to certain eurozone countries – Country of Domicile View

| | Sovereign | | Financial Institutions | | Corporates | | Retail | | Other | | Total[1] | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in € m. | Sep 30, 2014 | Dec 31, 2013 | Sep 30, 2014 | Dec 31, 2013 | Sep 30, 2014 | Dec 31, 2013 | Sep 30, 2014 | Dec 31, 2013 | Sep 30, 2014 | Dec 31, 2013 | Sep 30, 2014 | Dec 31, 2013 |
| Greece | | | | | | | | | | | | |
| Gross | 123 | 52 | 658 | 605 | 1,329 | 1,338 | 8 | 9 | 21 | 0 | 2,139 | 2,004 |
| Undrawn | 0 | 0 | 24 | 18 | 45 | 101 | 3 | 3 | 0 | 0 | 72 | 122 |
| Net | 120 | 52 | 103 | 23 | 52 | 214 | 3 | 3 | 21 | 0 | 298 | 291 |
| Ireland | | | | | | | | | | | | |
| Gross | 488 | 765 | 1,576 | 721 | 9,725 | 6,177 | 42 | 48 | 1,908[2] | 1,958[2] | 13,738 | 9,669 |
| Undrawn | 0 | 0 | 45 | 6 | 3,760 | 1,680 | 2 | 1 | 295[2] | 358[2] | 4,101 | 2,045 |
| Net | (40) | 175 | 1,170 | 438 | 6,991 | 4,537 | 6 | 9 | 1,908[2] | 1,951[2] | 10,034 | 7,110 |
| Italy | | | | | | | | | | | | |
| Gross | 4,702 | 1,900 | 5,116 | 5,232 | 8,612 | 8,400 | 19,300 | 19,650 | 1,211 | 648 | 38,942 | 35,830 |
| Undrawn | 0 | 0 | 906 | 955 | 3,237 | 3,407 | 206 | 190 | 28 | 2 | 4,376 | 4,554 |
| Net | 542 | 1,374 | 2,075 | 2,500 | 6,114 | 6,529 | 6,815 | 6,994 | 1,108 | 572 | 16,654 | 17,969 |
| Portugal | | | | | | | | | | | | |
| Gross | 37 | 38 | 441 | 257 | 985 | 1,392 | 2,092 | 2,163 | 180 | 78 | 3,735 | 3,928 |
| Undrawn | 0 | 0 | 36 | 36 | 117 | 172 | 32 | 28 | 0 | 0 | 185 | 237 |
| Net | (19) | 25 | 384 | 222 | 429 | 849 | 254 | 282 | 180 | 78 | 1,228 | 1,456 |
| Spain | | | | | | | | | | | | |
| Gross | 788 | 1,473 | 2,324 | 3,349 | 9,246 | 9,288 | 10,539 | 10,721 | 870 | 637 | 23,766 | 25,468 |
| Undrawn | 2 | 4 | 725 | 662 | 3,739 | 3,321 | 476 | 521 | 10 | 3 | 4,952 | 4,510 |
| Net | 533 | 1,452 | 2,029 | 2,389 | 6,634 | 6,436 | 1,878 | 2,060 | 821 | 502 | 11,896 | 12,839 |
| Total gross | **6,137** | 4,228 | **10,115** | 10,164 | **29,897** | 26,595 | **31,981** | 32,591 | **4,189** | 3,321 | **82,319** | 76,899 |
| Total undrawn | **2** | 4 | **1,734** | 1,677 | **10,898** | 8,680 | **718** | 743 | **333** | 364 | **13,685** | 11,468 |
| Total net[3] | **1,136** | 3,078 | **5,761** | 5,572 | **20,218** | 18,566 | **8,957** | 9,347 | **4,037** | 3,103 | **40,110** | 39,666 |

1 Approximately 54 % of the overall exposure will mature within the next 5 years.
2 Other exposures to Ireland include exposures to counterparties where the domicile of the group parent is located outside of Ireland as well as exposures to special purpose entities whose underlying assets are from entities domiciled in other countries.
3 Total net exposure excludes credit valuation reserves for derivatives amounting to € 8 million as of September 30, 2014 and € 136 million as of December 31, 2013.

Total net exposure to the above selected eurozone countries increased by € 444 million in the first nine months of 2014 mainly driven by increased corporate and financial institutions portfolios in Ireland offset by reduced sovereign exposure in Italy, Spain and Portugal and reduced financial institution exposure in Italy and Spain.

### Aggregate net credit risk exposure to certain eurozone countries by type of financial instrument

| | | | | | | | Sep 30, 2014 |
|---|---|---|---|---|---|---|---|
| | Financial assets carried at amortized cost | | | Financial assets measured at fair value | Financial instruments at fair value through profit or loss | | |
| in € m. | Loans before loan loss allowance | Loans after loan loss allowance | Other[1] | Financial assets available for sale[2] | Derivatives | Other | Total[3] |
| Greece | 107 | 74 | 95 | 0 | 51 | 79 | 298 |
| Ireland | 1,876 | 1,866 | 5,093 | 435 | 948 | 1,601 | 9,943 |
| Italy | 10,882 | 9,955 | 4,032 | 649 | 4,055 | 1,848 | 20,539 |
| Portugal | 565 | 514 | 341 | 11 | 25 | 631 | 1,522 |
| Spain | 5,684 | 5,008 | 3,636 | 583 | 439 | 1,779 | 11,446 |
| Total | 19,114 | 17,417 | 13,197 | 1,678 | 5,519 | 5,938 | 43,748 |

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

| | | | | | | | Dec 31, 2013 |
|---|---|---|---|---|---|---|---|
| | Financial assets carried at amortized cost | | | Financial assets measured at fair value | Financial instruments at fair value through profit or loss | | |
| in € m. | Loans before loan loss allowance | Loans after loan loss allowance | Other[1] | Financial assets available for sale[2] | Derivatives | Other | Total[3] |
| Greece | 240 | 207 | 15 | 5 | 7 | 69 | 302 |
| Ireland | 1,342 | 1,332 | 2,840 | 502 | 800 | 1,518 | 6,993 |
| Italy | 10,678 | 9,735 | 4,143 | 875 | 3,559 | (176) | 18,136 |
| Portugal | 686 | 640 | 400 | 34 | 94 | 538 | 1,706 |
| Spain | 6,214 | 5,460 | 3,386 | 1,015 | 510 | 1,483 | 11,853 |
| Total | 19,159 | 17,373 | 10,784 | 2,431 | 4,970 | 3,432 | 38,990 |

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

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. For a more detailed description of our usage of credit derivatives to manage credit risk see the respective risk sections of our Financial Report 2013.

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

| | | | | Sep 30, 2014 | | | | Dec 31, 2013 |
|---|---|---|---|---|---|---|---|---|
| in € m. | Protection sold | Protection bought | Net protection sold/(bought) | Net fair value | Protection sold | Protection bought | Net protection sold/(bought) | Net fair value |
| Greece | 785 | (785) | 0 | 2 | 1,260 | (1,271) | (11) | (1) |
| Ireland | 4,461 | (4,370) | 91 | 4 | 7,438 | (7,321) | 117 | 0 |
| Italy | 41,044 | (44,929) | (3,885) | 119 | 60,203 | (60,370) | (167) | 100 |
| Portugal | 6,463 | (6,757) | (294) | 4 | 10,183 | (10,432) | (250) | 7 |
| Spain | 18,723 | (18,273) | 450 | 16 | 28,452 | (27,466) | 986 | (4) |
| Total | **71,476** | **(75,114)** | **(3,638)** | **146** | 107,536 | (106,860) | 675 | 101 |

## Sovereign Credit Risk Exposure to certain eurozone countries

The amounts below reflect a net "country of domicile view" of our sovereign exposure.

### Sovereign credit risk exposure to certain eurozone Countries

| | | | | Sep 30, 2014 | | | | Dec 31, 2013 |
|---|---|---|---|---|---|---|---|---|
| in € m. | Direct Sovereign exposure[1] | Net Notional of CDS referencing sovereign debt | Net sovereign exposure | Memo Item: Net fair value of CDS referencing sovereign debt[2] | Direct Sovereign exposure[1] | Net Notional of CDS referencing sovereign debt | Net sovereign exposure | Memo Item: Net fair value of CDS referencing sovereign debt[2] |
| Greece | 123 | (3) | 120 | 1 | 52 | 0 | 52 | 2 |
| Ireland | (51) | 11 | (40) | 1 | 61 | 114 | 175 | 0 |
| Italy | 4,639 | (4,097) | 542 | 90 | 1,861 | (487) | 1,374 | 116 |
| Portugal | 37 | (56) | (19) | 2 | 38 | (12) | 25 | 4 |
| Spain | 784 | (250) | 533 | 0 | 1,193 | 259 | 1,452 | (4) |
| Total | **5,531** | **(4,395)** | **1,136** | **94** | 3,205 | (126) | 3,078 | 118 |

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

The reduction in net sovereign credit exposure compared with year-end 2013 mainly reflects movements from trading debt securities and derivative positions. Net sovereign exposure for Italy reduced since year-end 2013 as increases in direct sovereign exposure resulting from reduced short bond positions were more than offset by higher net hedge positions mostly due to lower CDS protection sold. The decrease of our direct sovereign exposure to Spain primarily reflects exposure changes in trading debt securities. The increase in Greece is mainly attributable to debt exposures.

The above mentioned direct sovereign exposure included the carrying value of loans held at amortized cost to sovereigns which, as of September 30, 2014, amounted to € 282 million for Italy and € 566 million for Spain and, as of December 31, 2013 amounted to € 726 million for Italy and € 649 million for Spain.

# 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

| | | | Sep 30, 2014 | | | Dec 31, 2013[1] |
|---|---|---|---|---|---|---|
| in € m. | Corporate loans | Consumer loans | Total | Corporate loans | Consumer loans | Total |
| Loans neither past due, nor renegotiated or impaired | 205,593 | 177,156 | 382,749 | 190,021 | 175,483 | 365,504 |
| Past due loans, neither renegotiated nor impaired | 3,937[2] | 4,189 | 8,126 | 1,293 | 4,446 | 5,739 |
| Loans renegotiated, but not impaired | 209 | 382 | 591 | 389 | 395 | 784 |
| Impaired loans | 5,106 | 4,423 | 9,529 | 5,922 | 4,221 | 10,143 |
| Total | **214,845** | **186,149** | **400,995** | 197,625 | 184,545 | 382,170 |

1 Amounts for December 31, 2013, were adjusted for past due loans, neither renegotiated nor impaired by € 303 million and for loans renegotiated, but not impaired by € 112 million erroneously not included in prior year's disclosure.
2 Increase of € 2.6 billion due to a number of single items mainly in North America as well as Western Europe (excluding Germany).

## Impaired Loans

Credit Risk Management regularly assesses at each balance sheet date whether there is objective evidence that a loan or group of loans is impaired. A loan or group of loans is impaired and impairment losses are incurred if:

— there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset and up to the balance sheet date ("a loss event"). When making our assessment we consider information on such events that is reasonably available up to the date the financial statements are authorized for issuance in line with the requirements of IAS 10;
— the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets, and
— a reliable estimate of the loss amount can be made at each reporting date.

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.

## 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).

We first assess whether objective evidence of impairment exists individually for loans that are individually significant. We then assess collectively for loans that are not individually significant and loans which are significant but for which there is no objective evidence of impairment under the individual assessment.

For further details regarding our accounting treatment relating to impairment loss and allowance for credit losses please refer to Note 1 “Significant Accounting Policies and Critical Accounting Estimates” of our Financial Report 2013.

### Overview of impaired loans, loan loss allowance and impaired loan coverage ratios by business divisions

| | | | Sep 30, 2014 | | | Dec 31, 2013 | | 2014 increase (decrease) from 2013 |
|---|---|---|---|---|---|---|---|---|
| in € m. | Impaired loans | Loan loss allowance | Impaired loan coverage ratio in % | Impaired loans | Loan loss allowance | Impaired loan coverage ratio in % | Impaired loans | Impaired loan coverage ratio in ppt |
| Corporate Banking & Securities | 672 | 369 | 55 | 818 | 344 | 42 | (146) | 13 |
| Private & Business Clients | 4,295 | 2,392 | 56 | 4,121 | 2,519 | 61 | 174 | (5) |
| Global Transaction Banking | 1,664 | 1,038 | 62 | 1,662 | 1,078 | 65 | 2 | (2) |
| Deutsche Asset & Wealth Management | 42 | 35 | 82 | 69 | 39 | 56 | (27) | 27 |
| Non-Core Operations Unit | 2,856 | 1,317 | 46 | 3,473 | 1,609 | 46 | (617) | 0 |
| Thereof: assets reclassified to loans and receivables according to IAS 39 | 1,031 | 511 | 50 | 1,007 | 479 | 48 | 24 | 2 |
| Total | **9,529** | **5,152** | **54** | 10,143 | 5,589 | 55 | (614) | (1) |

### Impaired loans by region

| | | | Sep 30, 2014 | | | Dec 31, 2013 |
|---|---|---|---|---|---|---|
| in € m. | Individually assessed | Collectively assessed | Total | Individually assessed | Collectively assessed | Total |
| Germany | 1,700 | 1,961 | 3,661 | 1,586 | 1,675 | 3,261 |
| Western Europe (excluding Germany) | 2,741 | 2,295 | 5,036 | 3,469 | 2,363 | 5,832 |
| Eastern Europe | 106 | 158 | 264 | 77 | 175 | 252 |
| North America | 421 | 2 | 423 | 588 | 1 | 590 |
| Central and South America | 14 | 0 | 14 | 32 | 0 | 32 |
| Asia/Pacific | 123 | 5 | 128 | 170 | 4 | 175 |
| Africa | 1 | 1 | 2 | 0 | 1 | 1 |
| Other | 1 | 0 | 1 | 0 | 0 | 0 |
| Total | **5,107** | **4,422** | **9,529** | 5,922 | 4,221 | 10,143 |

### Impaired loans by industry sector

| | | | Sep 30, 2014 | | | Dec 31, 2013 |
|---|---|---|---|---|---|---|
| in € m. | Individually assessed | Collectively assessed | Total | Individually assessed | Collectively assessed | Total |
| Banks and insurance | 0 | 0 | 0 | 45 | 0 | 45 |
| Fund management activities | 41 | 0 | 41 | 92 | 1 | 93 |
| Manufacturing | 560 | 230 | 790 | 589 | 222 | 811 |
| Wholesale and retail trade | 388 | 233 | 621 | 441 | 220 | 661 |
| Households | 450 | 3,351 | 3,801 | 477 | 3,194 | 3,671 |
| Commercial real estate activities | 1,728 | 321 | 2,049 | 2,388 | 295 | 2,683 |
| Public sector | 48 | 0 | 48 | 39 | 0 | 39 |
| Other[1] | 1,891 | 288 | 2,179 | 1,849 | 289 | 2,139 |
| Total | **5,107** | **4,422** | **9,529** | 5,922 | 4,221 | 10,143 |

[1] Includes mainly transportation and other services.

### Development of Impaired Loans

| | Nine months ended Sep 30, 2014 | | | Full Year 2013 | | |
|---|---|---|---|---|---|---|
| in € m. | Individually assessed | Collectively assessed | Total | Individually assessed | Collectively assessed | Total |
| **Balance, beginning of year** | **5,922** | **4,221** | **10,143** | 6,129 | 4,206 | 10,335 |
| Classified as impaired during the year[1] | 1,481 | 1,832 | 3,314 | 4,553 | 2,939 | 7,492 |
| Transferred to not impaired during the year[1] | (1,084) | (878) | (1,962) | (2,618) | (2,134) | (4,752) |
| Charge-offs | (789) | (508) | (1,297) | (730) | (485) | (1,215) |
| Disposals of impaired loans | (494) | (254) | (748) | (744) | (293) | (1,037) |
| Exchange rate and other movements | 71 | 9 | 79 | (669) | (12) | (680)[2] |
| **Balance, end of period** | **5,107** | **4,422** | **9,529** | 5,922 | 4,221 | 10,143 |

1 Includes repayments.
2 Includes consolidated items because the Group obtained control over the structured entity borrowers by total € 598 million.

In the first nine months of 2014 our impaired loans decreased by € 614 million or 6.1 % to € 9.5 billion as a result of charge-offs of € 1.3 billion and disposals of impaired loans totaling € 748 million largely offset by a net increase in impaired loans of € 1.4 billion, as well as exchange rate movements of € 79 million.

The overall decrease mainly resulted from a € 815 million reduction in individually assessed impaired loans being partially offset by € 201 million increase in collectively assessed impaired loans. The reduction in individually assessed impaired loans can be split mainly into the two regions Western Europe (excluding Germany) and North America and relates to, among others, several commercial real estate transactions. The increase in collectively assessed impaired loans was mainly driven by new defaults in Households recorded in our Private & Business Clients division.

The impaired loan coverage ratio (defined as total on-balance sheet allowances for all loans individually impaired or collectively assessed divided by IFRS impaired loans (excluding collateral)) decreased slightly from 55 % as of year-end 2013 to 54 %.

Our impaired loans included € 1.0 billion of loans reclassified to loans and receivables in accordance with IAS 39. This position increased slightly by € 24 million.

### Movements in the Allowance for Credit Losses

Our allowance for credit losses comprises of the allowance for loan losses and the allowance for off-balance sheet positions.

## Development of allowance for credit losses

| | Nine months ended Sep 30, 2014 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Allowance for Loan Losses | | | Allowance for Off-Balance Sheet Positions | | | |
| in € m. (unless stated otherwise) | Individually assessed | Collectively assessed | Subtotal | Individually assessed | Collectively assessed | Subtotal | Total |
| Balance, beginning of year | 2,857 | 2,732 | 5,589 | 102 | 114 | 216 | 5,805 |
| Provision for credit losses | 300 | 441 | 742 | 10 | 13 | 23 | 765 |
| Thereof: (Gains)/Losses from disposal of impaired loans | (39) | (16) | (56) | 0 | 0 | 0 | (56) |
| Net charge-offs: | (760) | (427) | (1,187) | 0 | 0 | 0 | (1,187) |
| Charge-offs | (789) | (508) | (1,296) | 0 | 0 | 0 | (1,296) |
| Recoveries | 29 | 80 | 109 | 0 | 0 | 0 | 109 |
| Changes in the group of consolidated companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Exchange rate changes/other | 9 | 0 | 8 | (1) | 7 | 7 | 15 |
| Balance, end of period | 2,406 | 2,745 | 5,152 | 112 | 134 | 246 | 5,398 |
| Changes compared to prior year | | | | | | | |
| Provision for credit losses | | | | | | | |
| In € m. | (556) | (10) | (566) | 0 | (8) | (9) | (575) |
| In % | (65) | (2) | (43) | (2) | (40) | (27) | (43) |
| Net charge-offs | | | | | | | |
| In € m. | (300) | (244) | (543) | 0 | 0 | 0 | (543) |
| In % | 65 | 133 | 84 | 0 | 0 | 0 | 84 |

Our allowance for credit losses was € 5.4 billion as at September 30, 2014, thereof 95 % or € 5.2 billion related to our loan portfolio and 5 % or € 246 million to off-balance sheet positions (predominantly loan commitments and guarantees). The allowance for loan losses is attributable 53 % to collectively assessed and 47 % to individually assessed loan losses. The net decrease in our allowance for loan losses of € 437 million compared with prior year end results from € 1.2 billion of net charge-offs, partly offset by additions of € 742 million provisions and € 8 million other changes, such as accretion on impaired loans and foreign exchange effects. Our allowance for off-balance sheet positions increased net by € 30 million compared with prior year end mainly due to additional provisions.

Provision for credit losses recorded in the first nine months of 2014 decreased by € 575 million or 43 % to € 765 million compared with the first nine months of 2013. Our overall loan loss provisions decreased by € 566 million or 43 % in the first nine months of 2014 compared with the first nine months of 2013. This reduction largely results from our individually assessed loan portfolio, where provisioning declined by € 556 million reflecting lower provisions in NCOU mainly from IAS 39 reclassified assets and the non-recurrence of large single items in our Core business recorded in the first nine months 2013. Despite low level of provisions in the first nine months of 2013 due to a one off gain from the sale of non-performing loan portfolios, provisions for our collectively assessed portfolio in the first nine months 2014 decreased compared to prior year period reflecting amongst others the ongoing good environment in the German credit market. Our overall provisions for off-balance sheet positions decreased by € 9 million compared with previous year's first nine months driven by GTB as a result of lower charges for collectively assessed positions.

Net charge-offs increased by € 543 million in the first nine months of 2014 compared to the first nine months of 2013 largely driven by the individually assessed loan portfolio at Postbank following an alignment of processes in the first quarter of 2014. This alignment resulted in an adjustment of the level of loan loss allowance for loans recorded at Postbank by € 233 million reflecting accelerated write-offs as well as the elimination of previous misclassification of recoveries in the credit quality of Postbank loans, which had been impaired after change of control, as interest income. Furthermore, the overall increase resulted from charge offs related to disposal of impaired loan portfolios in Italy partly offset by lower charge offs for IAS 39 reclassified positions.

Our allowance for loan losses for IAS 39 reclassified assets, which are reported in NCOU, amounted to € 511 million as at September 30, 2014, representing 10 % of our total allowance for loan losses, up 7 % from the level at the end of the prior year which amounted to € 479 million (9 % of total allowance for loan losses). This increase was a result of additional provisions for loan losses of € 62 million and other changes of € 18 million partly offset by net charge offs of € 48 million.

Compared to the first nine months 2013, provision for loan losses for IAS 39 reclassified assets dropped by € 272 million to € 62 million and net charge offs decreased by € 188 million to € 48 million in the first nine months of 2014. Both reductions result from the non-recurrence of large items in the present year compared to high levels in the comparison period.

| | Nine months ended Sep 30, 2013 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Allowance for Loan Losses | | | Allowance for Off-Balance Sheet Positions | | | |
| in € m.<br>(unless stated otherwise) | Individually assessed | Collectively assessed | Subtotal | Individually assessed | Collectively assessed | Subtotal | Total |
| Balance, beginning of year | 2,266 | 2,426 | 4,692 | 118 | 97 | 215 | 4,907 |
| Provision for credit losses | 856 | 452 | 1,308 | 11 | 21 | 32 | 1,340 |
| Thereof: (Gains)/Losses from disposal of impaired loans | 4 | (43) | (39) | 0 | 0 | 0 | (39) |
| Net charge-offs: | (460) | (183) | (644) | 0 | 0 | 0 | (644) |
| Charge-offs | (482) | (294) | (776) | 0 | 0 | 0 | (776) |
| Recoveries | 22 | 110 | 132 | 0 | 0 | 0 | 132 |
| Changes in the group of consolidated companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Exchange rate changes/other | (70) | (25) | (95) | (2) | (2) | (4) | (100) |
| Balance, end of period | 2,592 | 2,669 | 5,261 | 126 | 116 | 242 | 5,503 |
| | | | | | | | |
| Changes compared to prior year | | | | | | | |
| Provision for credit losses | | | | | | | |
| In € m. | 16 | (5) | 12 | 24 | 16 | 40 | 52 |
| In % | 2 | (1) | 1 | (177) | 302 | (476) | 4 |
| Net charge-offs | | | | | | | |
| In € m. | 145 | 30 | 175 | 0 | 0 | 0 | 175 |
| In % | (24) | (14) | (21) | 0 | 0 | 0 | (21) |

## Counterparty Credit Risk: Regulatory Assessment

This section provides details on our exposure at default (EAD) and RWA by regulatory defined exposure classes and model approaches, including our securitization positions. The tables presented for the current reporting period are based on the CRR/CRD 4 framework, while the comparative information for year-end 2013 is based on the then prevailing Basel 2.5 framework excluding the transitional adjustment according to Section 64h (3) of the German Banking Act as valid through December 31, 2013. Quantitative information presented follows the regulatory scope of consolidation.

We generally apply the advanced internal rating based approach (IRBA) for the majority of our advanced IRBA eligible credit portfolios to calculate the regulatory capital requirements according to the CRR/CRD 4 framework, based on respective approvals received from BaFin. 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. Moreover, we apply the foundation IRBA for a portion of Postbank's IRBA eligible credit portfolios, for which Postbank received respective BaFin approvals in recent years. Exposures which we do not treat under the advanced or the foundation IRBA are allocated either to "Other IRBA Exposure" or to the "Standardized Approach".

We have always met the regulatory minimum requirements with regard to the respective coverage ratio thresholds as calculated by EAD and RWA according to Section 10 SolvV applicable since January 1, 2014 and Section 67 SolvV applicable through December 31, 2013, respectively. Nevertheless, because institutions are urged to apply the advanced IRBA as comprehensively as possible, we continue our efforts to further enhance our respective coverage ratio. For a few remaining advanced IRBA eligible portfolios temporarily assigned to the standardized approach, an implementation plan and approval schedule have been set up and agreed with the competent authorities, the BaFin and the Bundesbank.

The BaFin approvals obtained as a result of the advanced IRBA audit processes for our counterparty credit exposures excluding Postbank allow the usage of 68 internally developed rating systems for regulatory capital calculation purposes. Postbank's approvals, excluding PB Capital Corporation, obtained from the BaFin as a result of its IRBA audit processes for the counterparty credit exposures allow the usage of 14 internally developed rating systems for regulatory capital calculation purposes.

The line item "Other exposures" contains predominantly collective investment undertakings, equity exposures and non-credit obligations treated under other internal rating based approaches as well as remaining exposures classes for the standardized approach which do not fall under central governments, institutions, corporates or retail.

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

| | | | | | | | | | | | Sep 30, 2014 CRR/CRD 4 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Advanced IRBA | | Foundation IRBA | | Other IRBA | | Standardized Approach | | Total | | |
| in € m. | EAD | RWA | EAD | RWA | EAD | RWA | EAD | RWA | EAD | RWA | Capital Requirements |
| Central governments | 90,973 | 4,876 | 0 | 0 | 0 | 0 | 84,671 | 122 | 175,644 | 4,998 | 400 |
| Institutions | 80,876 | 14,946 | 1 | 1 | 1,731 | 2,094 | 39,315 | 852 | 121,923 | 17,893 | 1,431 |
| Corporates | 296,665 | 104,755 | 6,179 | 2,044 | 9,409 | 5,323 | 24,109 | 15,561 | 336,363 | 127,683 | 10,215 |
| Retail exposures secured by real estate property | 155,055 | 24,572 | 0 | 0 | 0 | 0 | 0 | 0 | 155,055 | 24,572 | 1,966 |
| Qualifying revolving retail exposures | 4,411 | 543 | 0 | 0 | 0 | 0 | 0 | 0 | 4,411 | 543 | 43 |
| Other retail exposures | 32,892 | 12,918 | 0 | 0 | 0 | 0 | 12,790 | 7,839 | 45,682 | 20,757 | 1,661 |
| Other exposures | 2,831 | 7,079 | 0 | 0 | 8,701 | 20,879 | 29,649 | 11,585 | 41,182 | 39,543 | 3,163 |
| Securitizations | 50,474 | 12,961 | 0 | 0 | 0 | 0 | 2,172 | 2,113 | 52,646 | 15,074 | 1,206 |
| Total | 714,177 | 182,651 | 6,180 | 2,044 | 19,841 | 28,297 | 192,707 | 38,071 | 932,904 | 251,063 | 20,085 |
| Thereof: counterparty credit risk from | 141,582 | 40,009 | 163 | 116 | 641 | 698 | 44,956 | 2,304 | 187,341 | 43,126 | 3,450 |
| Derivatives | 88,314 | 36,810 | 163 | 116 | 641 | 698 | 41,935 | 2,204 | 131,052 | 39,828 | 3,186 |
| Securities financing transactions | 53,268 | 3,199 | 0 | 0 | 0 | 0 | 3,021 | 100 | 56,289 | 3,299 | 264 |

| | | | | | | | | | | | Dec 31, 2013 Basel 2.5 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Advanced IRBA | | Foundation IRBA | | Other IRBA | | Standardized Approach | | Total | | |
| in € m. | EAD | RWA | EAD | RWA | EAD | RWA | EAD | RWA | EAD | RWA | Capital Require-ments |
| Central governments | 92,354 | 4,353 | 8 | 2 | 0 | 0 | 75,706 | 213 | 168,068 | 4,569 | 366 |
| Institutions | 60,912 | 9,175 | 5,592 | 1,320 | 0 | 0 | 4,976 | 198 | 71,481 | 10,693 | 855 |
| Corporates | 264,751 | 81,397 | 7,396 | 4,880 | 10,169 | 6,067 | 23,248 | 15,235 | 305,564 | 107,578 | 8,606 |
| Retail exposures secured by real estate property | 153,271 | 22,523 | 0 | 0 | 0 | 0 | 5,173 | 2,275 | 158,443 | 24,799 | 1,984 |
| Qualifying revolving retail exposures | 4,537 | 621 | 0 | 0 | 0 | 0 | 0 | 0 | 4,537 | 621 | 50 |
| Other retail exposures | 33,082 | 13,990 | 0 | 0 | 0 | 0 | 8,593 | 5,982 | 41,675 | 19,972 | 1,598 |
| Other exposures | 0 | 0 | 0 | 0 | 7,958 | 10,424 | 25,287 | 14,507 | 33,245 | 24,931 | 1,994 |
| Securitizations | 49,368 | 7,834 | 0 | 0 | 0 | 0 | 2,175 | 1,222 | 51,543 | 9,057 | 725 |
| Total | 658,273 | 139,894 | 12,997 | 6,202 | 18,127 | 16,490 | 145,159 | 39,633 | 834,557 | 202,219 | 16,178 |
| Thereof: counterparty credit risk from | 122,455 | 28,265 | 317 | 193 | 414 | 394 | 9,571 | 1,833 | 132,757 | 30,684 | 2,455 |
| Derivatives | 75,738 | 25,900 | 317 | 193 | 414 | 394 | 8,630 | 1,806 | 85,099 | 28,292 | 2,263 |
| Securities financing transactions | 46,716 | 2,365 | 0 | 0 | 0 | 0 | 941 | 27 | 47,657 | 2,392 | 191 |

The movements in EAD in the exposure class “central governments” in the Standardized Approach resulted from higher positions in interest earning deposits with central banks.

The increase in EAD in the exposure class “institutions” within the advanced IRBA predominantly results from the transfer of the Postbank Large Cap Corporates / Financial Institutions portfolio and corresponds with the decrease in the exposure class “institutions” within the foundation IRBA. Furthermore the increase in RWA was primarily driven by growth in CB&S.

The increase in EAD and RWA in the exposure class “institutions” within the standardized approach mainly relates to central counterparties which are newly introduced into the RWA calculation according to the CRR/CRD 4 framework.

Overall we saw in the advanced IRBA an increase in EAD and RWA within the exposure class “corporate”, mainly resulting from growing business in CB&S and GTB and to a lesser extent also from above mentioned portfolio switch in the Postbank portfolio.

The decrease in EAD and RWA in the exposure class “retail exposures secured by real estate property” within the standardized approach is mainly a result of a re-design of the regulatory defined exposure class segmentation following the CRR/CRD 4 framework where this exposure has been entirely allocated to the exposure class “other retail exposures”.

The increase in EAD and RWA within the exposure class “other exposures” across all model approaches mainly results from components like deferred tax assets and financial sector entities newly considered within the RWA calculation as introduced by the CRR/CRD 4 framework.

The movement in the first nine months of 2014 in the securitisation segment is driven by the CRR/CRD 4 framework where positions formerly being deducted from the capital, which now have to be included into RWA.

## Internal Ratings and Probability of Defaults

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.

### Internal ratings and their PD ranges

| Internal rating | PD range in %[1] |
|---|---|
| iAAA | > 0.00 ≤ 0.01 |
| iAA+ | > 0.01 ≤ 0.02 |
| iAA | > 0.02 ≤ 0.03 |
| iAA– | > 0.03 ≤ 0.04 |
| iA+ | > 0.04 ≤ 0.05 |
| iA | > 0.05 ≤ 0.07 |
| iA– | > 0.07 ≤ 0.11 |
| iBBB+ | > 0.11 ≤ 0.18 |
| iBBB | > 0.18 ≤ 0.30 |
| iBBB– | > 0.30 ≤ 0.50 |
| iBB+ | > 0.50 ≤ 0.83 |
| iBB | > 0.83 ≤ 1.37 |
| iBB– | > 1.37 ≤ 2.27 |
| iB+ | > 2.27 ≤ 3.75 |
| iB | > 3.75 ≤ 6.19 |
| iB– | > 6.19 ≤ 10.22 |
| iCCC+ | > 10.22 ≤ 16.87 |
| iCCC | > 16.87 ≤ 27.84 |
| iCCC– | > 27.84 ≤ 99.99 |
| Default | 100.00 |

[1] Reflects the probability of default for a one year time horizon.

## Advanced IRBA Exposure with Corporates

The table below shows our advanced IRBA exposures with Corporates, including portfolios from Postbank. The presentation excludes counterparty credit risk exposures from derivatives and securities financing transactions (SFT). The exposures are distributed on our internal rating scale, showing also the probability of default (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 loss given default (LGD), the RWA and the average risk weight (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, to the extent 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 Credit Exposures by PD Grade with Corporates (excluding derivatives and SFTs)

| in € m. (unless stated otherwise) | | | | | | Sep 30, 2014 CRR/CRD 4 | | | | | | Dec 31, 2013 Basel 2.5 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Internal rating | EAD net | Average PD in %[1] | Average LGD in % | RWA | Average RW in % | EL/EAD in % | EAD net | Average PD in %[1] | Average LGD in % | RWA | Average RW in % | EL/EAD in % |
| iAAA | 4,461 | 0.03 | 19.73 | 251 | 5.63 | 0.01 | 3,084 | 0.03 | 24.81 | 196 | 6.35 | 0.01 |
| iAA+ | 5,169 | 0.03 | 20.32 | 315 | 6.10 | 0.01 | 5,448 | 0.03 | 19.67 | 286 | 5.25 | 0.01 |
| iAA | 9,924 | 0.03 | 17.03 | 491 | 4.94 | 0.00 | 7,555 | 0.03 | 18.29 | 420 | 5.56 | 0.01 |
| iAA– | 11,998 | 0.04 | 32.40 | 1,299 | 10.83 | 0.01 | 11,213 | 0.04 | 31.29 | 922 | 8.22 | 0.01 |
| iA+ | 13,095 | 0.05 | 29.50 | 1,780 | 13.59 | 0.01 | 11,167 | 0.05 | 28.56 | 1,293 | 11.58 | 0.01 |
| iA | 21,445 | 0.07 | 33.60 | 3,687 | 17.19 | 0.02 | 14,927 | 0.07 | 31.28 | 2,349 | 15.73 | 0.02 |
| iA– | 20,862 | 0.09 | 36.13 | 4,927 | 23.62 | 0.03 | 17,690 | 0.09 | 35.62 | 3,705 | 20.95 | 0.03 |
| iBBB+ | 20,667 | 0.14 | 34.41 | 6,055 | 29.30 | 0.05 | 18,121 | 0.14 | 31.90 | 4,512 | 24.90 | 0.04 |
| iBBB | 18,495 | 0.23 | 32.09 | 6,284 | 33.98 | 0.07 | 18,145 | 0.23 | 32.54 | 5,984 | 32.98 | 0.07 |
| iBBB– | 19,098 | 0.39 | 32.86 | 8,554 | 44.79 | 0.12 | 16,884 | 0.39 | 31.05 | 6,885 | 40.78 | 0.11 |
| iBB+ | 16,112 | 0.64 | 33.45 | 8,808 | 54.67 | 0.21 | 9,958 | 0.64 | 32.21 | 5,436 | 54.60 | 0.20 |
| iBB | 13,998 | 1.08 | 25.85 | 7,577 | 54.13 | 0.28 | 11,819 | 1.07 | 28.10 | 6,835 | 57.83 | 0.30 |
| iBB– | 12,378 | 1.77 | 26.34 | 8,082 | 65.29 | 0.47 | 9,062 | 1.76 | 24.59 | 5,625 | 62.07 | 0.43 |
| iB+ | 8,404 | 2.92 | 21.27 | 5,368 | 63.88 | 0.60 | 6,452 | 2.92 | 19.94 | 3,969 | 61.51 | 0.84 |
| iB | 7,490 | 4.79 | 24.17 | 6,730 | 89.86 | 1.14 | 5,167 | 4.79 | 21.45 | 3,948 | 76.42 | 1.02 |
| iB– | 4,354 | 7.93 | 21.38 | 3,716 | 85.34 | 1.57 | 3,935 | 7.94 | 15.90 | 2,664 | 67.71 | 1.26 |
| iCCC+ | 1,610 | 12.96 | 21.74 | 1,797 | 111.57 | 3.04 | 1,140 | 13.00 | 14.58 | 809 | 70.94 | 1.89 |
| iCCC | 768 | 21.93 | 18.90 | 863 | 112.38 | 4.32 | 738 | 21.95 | 23.77 | 1,035 | 140.38 | 5.19 |
| iCCC– | 611 | 31.00 | 19.64 | 707 | 115.76 | 6.13 | 802 | 31.00 | 12.15 | 569 | 70.92 | 3.77 |
| Default | 8,365 | 100.00 | 26.03 | 2,057 | 24.59 | N/M | 9,975 | 100.00 | 25.77 | 2,405 | 24.11 | N/M |
| **Total** | **219,304** | **4.81** | **29.65** | **79,347** | **36.18** | **0.25** | 183,284 | 6.44 | 28.70 | 59,847 | 32.65 | 0.23 |

N/M – Not meaningful
[1] Higher average PD in % than defined for the internal rating scales iAAA and iAA+ results for Corporates exposure subject to a PD floor of 3 basis points.

The majority of these exposures are assigned to investment-grade customers. The exposures in the lowest rating class are predominantly collateralized.

EAD levels increased over the reporting period, mainly in the second and third quarter 2014, primarily based on growth in CB&S and GTB. An additional contribution resulted from the transfer of Postbank Large Cap Corporates/Financial Institutions portfolio as well as a portion of the Commercial Real Estate portfolio from Foundation IRBA to Advanced IRBA.

## Foundation IRBA Exposure with Corporates

The table below shows our foundation IRBA exposures with Corporates. It excludes counterparty credit risk exposures from derivatives and SFT. The exposure is distributed on our internal rating scale, showing also the PD range for each grade. The internal ratings correspond to the respective external Standard & Poor's 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 Corporates (excluding derivative and SFTs)

| in € m. (unless stated otherwise) | Sep 30, 2014 CRR/CRD 4 | | | | Dec 31, 2013 Basel 2.5 | | | |
|---|---|---|---|---|---|---|---|---|
| Internal rating | EAD net | Average PD in % | RWA | Average RW in % | EAD net | Average PD in % | RWA | Average RW in % |
| iAAA | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| iAA+ | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| iAA | 2,175 | 0.03 | 268 | 12.35 | 35 | 0.03 | 5 | 15.31 |
| iAA– | 22 | 0.04 | 4 | 16.32 | 0 | 0.00 | 0 | 0.00 |
| iA+ | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| iA | 666 | 0.06 | 82 | 12.37 | 518 | 0.06 | 115 | 22.13 |
| iA– | 246 | 0.09 | 47 | 19.25 | 405 | 0.10 | 127 | 31.30 |
| iBBB+ | 555 | 0.15 | 137 | 24.62 | 912 | 0.15 | 362 | 39.65 |
| iBBB | 647 | 0.23 | 258 | 39.86 | 1,510 | 0.23 | 754 | 49.93 |
| iBBB– | 627 | 0.38 | 322 | 51.39 | 1,666 | 0.38 | 1,076 | 64.60 |
| iBB+ | 535 | 0.69 | 361 | 67.52 | 1,121 | 0.69 | 951 | 84.81 |
| iBB | 292 | 1.23 | 209 | 71.57 | 272 | 1.23 | 284 | 104.62 |
| iBB– | 63 | 2.06 | 50 | 79.38 | 287 | 2.06 | 347 | 120.99 |
| iB+ | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| iB | 28 | 3.78 | 21 | 77.15 | 170 | 3.78 | 246 | 144.76 |
| iB– | 10 | 7.26 | 16 | 167.36 | 37 | 7.26 | 66 | 177.02 |
| iCCC+ | 1 | 12.76 | 1 | 61.13 | 1 | 12.76 | 3 | 223.09 |
| iCCC | 60 | 18.00 | 151 | 249.10 | 163 | 18.00 | 382 | 234.34 |
| iCCC– | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Default | 90 | 100.00 | 0 | 0.00 | 80 | 100.00 | 0 | 0.00 |
| Total | **6,017** | **1.95** | **1,927** | **32.04** | 7,177 | 2.05 | 4,718 | 65.73 |

The decrease in EAD as well as in RWA is mainly driven by the transfer of Postbank's Large Cap Corporates/Financial Institutions portfolio from Foundation IRBA to Advanced IRBA.

## Market Risk

### Market Risk of Trading Units 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

| | Total | | Diversification effect | | Interest rate risk | | Credit spread risk | | Equity price risk | | Foreign exchange risk[1] | | Commodity price risk | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in € m. | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Average[2] | 53.4 | 53.6 | (36.0) | (50.0) | 27.2 | 26.5 | 32.3 | 41.6 | 14.5 | 13.4 | 12.9 | 13.8 | 2.6 | 8.3 |
| Maximum[2] | 65.6 | 69.0 | (61.9) | (62.1) | 42.8 | 36.6 | 38.9 | 48.0 | 21.8 | 23.4 | 20.8 | 27.8 | 10.2 | 12.8 |
| Minimum[2] | 40.3 | 43.0 | (24.4) | (38.5) | 17.6 | 18.7 | 27.8 | 34.9 | 9.9 | 8.8 | 7.2 | 5.8 | 0.7 | 5.5 |
| Period-end[3] | 53.1 | 47.9 | (32.7) | (57.7) | 18.9 | 27.2 | 30.0 | 37.9 | 21.8 | 20.2 | 14.2 | 12.4 | 0.9 | 7.8 |

[1] Includes value-at-risk from gold and other precious metal positions.
[2] Amounts show the bands within which the values fluctuated during the period January 1 to September 30, 2014 and the full year 2013, respectively.
[3] Amounts for 2014 as of September 30, 2014 and for 2013 as of December 31, 2013.

The average value-at-risk for the first nine months of 2014 decreased slightly by € 0.2 million to € 53.4 million compared with the average for the full year 2013. Credit spread risk reduced over the period due to a lower level of name specific risk and commodities price risk reduced as the wind down of the business continued. This was offset by smaller increases in interest rate risk and equity price risk and a reduction in the diversification benefit across risk types following changes in portfolio composition.

During the first nine months of 2014 our trading units achieved a positive actual income for 98 % of the trading days compared with 94 % in the full year 2013.

## Regulatory Trading Market Risk Measures

In trading market risk the comprehensive risk measure and market risk standardized approach were partially impacted by the introduction of the new CRR/CRD 4 framework which is detailed in the respective sections.

### Stressed Value-at-Risk

The following table shows the stressed value-at-risk (with a 99 % confidence level and a one-day holding period) for our trading units.

#### Stressed Value-at-Risk by Risk Type

| | Total | | Diversification effect | | Interest rate risk | | Credit spread risk | | Equity price risk | | Foreign exchange risk[1] | | Commodity price risk | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in € m. | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Average[2] | 109.0 | 114.0 | (122.6) | (127.5) | 65.8 | 59.3 | 121.6 | 118.1 | 11.5 | 19.2 | 27.0 | 29.6 | 5.8 | 15.2 |
| Maximum[2] | 161.1 | 169.2 | (152.4) | (166.8) | 85.9 | 93.1 | 142.8 | 149.5 | 42.6 | 53.6 | 53.1 | 59.2 | 16.7 | 37.1 |
| Minimum[2] | 86.2 | 75.1 | (102.3) | (105.5) | 48.8 | 44.4 | 100.7 | 90.0 | 0.0 | 4.3 | 13.7 | 12.1 | 1.8 | 7.1 |
| Period-end[3] | 126.5 | 105.5 | (141.0) | (125.3) | 64.8 | 53.0 | 137.0 | 114.4 | 16.1 | 27.5 | 47.1 | 27.0 | 2.7 | 8.9 |

[1] Includes value-at-risk from gold and other precious metal positions.
[2] Amounts show the bands within which the values fluctuated during the period January 1 to September 30, 2014 and the full year 2013, respectively.
[3] Amounts for 2014 as of September 30, 2014 and for 2013 as of December 31, 2013.

The average stressed value-at-risk for the first nine months of 2014 was € 109 million and decreased by € 5 million compared with the full year 2013. The reduction is most notably coming from lower equity risk due to carrying greater downside protection, with additional reductions coming from foreign exchange risk and commodities price risk. There has been an increase in interest rate risk following increased short interest rate exposure while average diversification has reduced due to changes in the composition of the portfolio.

### Incremental Risk Charge

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 the value of the preceding 12-week average calculation. The incremental risk charge presented for the reporting dates below is the spot value and the average, maximum and minimum values calculated for the 12-week period preceding these reporting dates.

#### Incremental Risk Charge of Trading Units (with a 99.9 % confidence level and one-year capital horizon)

| | Total | | Global Finance and Foreign Exchange | | Rates and Credit Trading | | NCOU | | Emerging Markets - Debt | | Other | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| in € m. | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Average[1] | 1,005.0 | 968.2 | 144.1 | 66.9 | 550.6 | 505.8 | (41.7) | (20.6) | 191.1 | 179.5 | 160.9 | 236.5 |
| Maximum[1] | 1,291.5 | 1,044.8 | 281.9 | 82.4 | 707.1 | 603.4 | 7.3 | (3.7) | 244.0 | 205.0 | 253.7 | 323.9 |
| Minimum[1] | 751.1 | 928.5 | 60.8 | 43.5 | 392.6 | 414.2 | (69.4) | (36.6) | 148.9 | 156.1 | 79.1 | 185.1 |
| Period-end[2] | 927.4 | 995.6 | 60.8 | 82.4 | 526.7 | 563.4 | 3.1 | (3.9) | 209.7 | 168.3 | 127.0 | 185.5 |

[1] Amounts show the bands within which the values fluctuated during the 12-weeks preceding September 30, 2014 and December 31, 2013, respectively.
[2] Amounts for 2014 as of September 30, 2014 and for 2013 as of December 31, 2013.

The incremental risk charge as at the end of the first nine months of 2014 was € 0.9 billion and decreased by € 68 million (7 %) compared with year end 2013. The 12-week average incremental risk charge for the first nine months of 2014 was € 1.0 billion and thus € 37 million (4 %) higher compared with the average for the 12-week period ended December 31, 2013.

### Comprehensive Risk Measure

For regulatory reporting purposes, the comprehensive risk measure for the respective reporting dates represents the highest 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 securitization framework. The comprehensive risk measure presented for the reporting dates below is the spot value and the average, maximum and minimum values calculated for the 12-week period ending on these reporting dates.

Comprehensive Risk Measure of Trading Units (with a 99.9 % confidence level and one-year capital horizon)

| in € m. | 2014 | 2013 |
|---|---|---|
| Average[1] | 288.0 | 316.0 |
| Maximum[1] | 299.1 | 359.6 |
| Minimum[1] | 257.5 | 285.9 |
| Period-end[2] | 231.1 | 223.8 |

[1] Amounts show the bands within which the values fluctuated during the 12-weeks preceding September 30, 2014 and December 31, 2013.
[2] Amounts for 2014 as of September 30, 2014 and figures for 2013 as of December 31, 2013.

The comprehensive risk measure as at the end of the first nine months of 2014 was € 231 million and increased by € 7 million (3 %) compared with year end 2013. The 12-week average of our comprehensive risk measure for the first nine months of 2014 was € 288 million and thus € 28 million (9 %) lower compared with the average for the 12-week period ended December 31, 2013. There was an increase due to the impact of a higher floor applicable in the calculation under the CRR/CRD 4 framework which has now been offset by de-risking of the portfolio.

## Market Risk Standardized Approach

Securitization positions in the trading book, including securitization positions in the correlation trading portfolio which are not eligible for the comprehensive risk measure, are subject to the market risk standardized approach for specific interest rate risk. In the Basel 2.5 framework, exposures that were unrated or rated below BB, were considered as capital deduction items and did not result in RWA. Under the new regulatory CRR/CRD 4 framework, which became effective on January 1, 2014, these exposures can no longer be deducted from capital but are included in the RWA calculation.

As of September 30, 2014, the securitization positions, for which the specific interest rate risk is calculated using the market risk standardized approach, generated capital requirements of € 2.2 billion corresponding to risk-weighted assets of € 27.7 billion. As of December 31, 2013, applying the CRR/CRD 4 framework to these positions would have amounted to capital requirements of € 2.0 billion and risk-weighted assets of € 24.5 billion. The increase was primarily due to higher inventory levels and cancelled hedges.

Additionally, the capital requirement for investment funds under the market risk standardized approach was € 84 million corresponding to risk-weighted assets of € 1.0 billion as of September 30, 2014, compared with € 78 million and € 977 million as of December 31, 2013.

For nth-to-default credit default swaps the capital requirement remained at € 2 million corresponding to risk-weighted assets of € 20 million as of September 30, 2014, compared with € 5 million and € 63 million as of December 31, 2013.

The capital requirement for longevity risk under the market risk standardized approach as of September 30, 2014 was € 33 million corresponding to risk-weighted assets of € 414 million compared with € 29 million and € 363 million as of December 31, 2013.

## Market Risk of Trading Book at Postbank

We calculate the Value-at-Risk of Postbank trading book with a 99 % confidence level and a one-day holding period. In line with Postbank's trading book strategy the value-at-risk as of September 30, 2014 was maintained with € 0.1 million at the same level compared with December 31, 2013, and was mainly related to the foreign exchange risk.

# Operational Risk

In the first nine months of 2014 our operational losses continued to be driven by legal operational risk losses including legal provisions. Total legal losses year to date are lower compared to the full year 2013. For a description of our current litigations, please see Section “Other Contingencies” of this Interim Report. Our non-legal operational risk losses continued to be lower than for the full year 2013. The outlook for rest of year remains cautious, due to the legal and regulatory environment that we believe will continue to affect our business. Our operational risk management fosters a forward looking risk management with regard to monitoring of potential profits and losses, focusing on trend analyses based upon available losses and key risk indicator data.

Economic Capital Usage for Operational Risk by Business Division

| in € m.<br>(unless stated otherwise) | Sep 30, 2014 | Dec 31, 2013 | 2014 increase (decrease) from 2013<br>in € m. | <br>in % |
|---|---|---|---|---|
| Corporate Banking & Securities | 3,285 | 2,475 | 810 | 33 |
| Private & Business Clients | 1,120 | 803 | 317 | 39 |
| Global Transaction Banking | 141 | 96 | 45 | 47 |
| Deutsche Asset & Wealth Management | 788 | 580 | 208 | 36 |
| Non-Core Operations Unit | 1,444 | 1,298 | 146 | 11 |
| Total economic capital usage for operational risk | **6,778** | 5,253 | 1,525 | 29 |

The economic capital usage for operational risk as of September 30, 2014 was € 6.8 billion, € 1.5 billion or 29 % higher compared to year-end 2013. The increase is mainly driven by an early recognition of the impact of model enhancements to our Advanced Measurement Approach (AMA) model implemented in the second quarter, see below. This increase in economic capital is spread across all business divisions.

## Operational Risk Framework Development

We apply an Advanced Measurement Approach (AMA) for the operational risk regulatory capital calculation. The AMA model is subject to continuous validation and enhancement in an effort to adequately reflect our risk profile. As part of the continuous enhancement and validation of our model we submitted model changes to BaFin and are awaiting approval. These model changes include an improved validation and recalibration methodology for insurance recoveries, changes to the modelling of the loss frequency as well as an enhanced scoring mechanism for the key risk indicators in the AMA model.

Further, we have submitted an additional model change request to BaFin to replace our € 1 billion economic capital safety margin, which we continuously apply since its implementation in 2011. This model change, which adds increased forward looking aspects to the AMA model, will result in higher economic capital even after the replacement of the safety margin. This change will make our model more risk sensitive by including reasonably possible litigation losses in our “Relevant Loss Data”. These reasonably possible litigation losses may result from both ongoing legal matters and new legal matters, which are reviewed quarterly and are based on the judgements provided by our Legal Department.

While our dialogue with BaFin on these model enhancements is on-going, management has decided to recognise the impact of these model changes where they will lead to an increase in capital requirement over our models that have previously been approved by BaFin.

## Liquidity Risk

### Composition of our external funding sources in euro billion and as a percentage of our total external funding sources

| in € bn.<br>(unless stated otherwise) | | Sep 30, 2014 | | Dec 31, 2013 |
|---|---|---|---|---|
| Capital Markets and Equity | 210 | 22 % | 185 | 19 % |
| Retail | 292 | 31 % | 282 | 29 % |
| Transaction Banking | 191 | 20 % | 178 | 18 % |
| Other Customers[1] | 75 | 8 % | 97 | 10 % |
| Unsecured Wholesale | 64 | 7 % | 73 | 7 % |
| Secured Funding and Shorts | 109 | 11 % | 150 | 15 % |
| Financing Vehicles[2] | 15 | 2 % | 19 | 2 % |
| Total external funding | **957** | **100 %** | 984 | 100 % |

[1] Other Customers includes fiduciary, self-funding structures (e.g. X-markets) and margin/prime brokerage cash balances (shown on a net basis).
[2] Includes ABCP conduits.
Reference: To reconcile to the total balance sheet, add derivatives & settlement balances € 629 billion (€ 524 billion), netting effect for margin & prime brokerage cash balances (shown on a net basis) € 68 billion (€ 50 billion), and other non-funding liabilities € 56 billion (€ 55 billion) for September 30, 2014, and December 31, 2013, respectively.

The increase of capital markets and equity by € 25 billion during the first nine months of 2014 reflects increased funding activities and the capital increase completed in June 2014. The higher amount of € 13 billion in transaction banking reflected increasing business activity in comparison to low year-end levels. The € 41 billion reduction in secured funding and shorts was largely driven by the adoption of IAS 32 R in 2014, allowing the offsetting of financial assets and financial liabilities for bilateral reverse repos under certain conditions and reductions in secured funding of highly liquid inventory. Lower amount of net cash margin received has contributed to the reduction in other customers of € 22 billion.

During the first nine months of 2014, we raised € 36.2 billion and completed our total funding plan for 2014 of € 30-35 billion. The average spread during the first three quarters of the year was 47 bps over the relevant floating index, e.g. Libor (Additional Tier 1 instruments are excluded from the spread calculation), with an average tenor of 4.8 years. The most significant transaction during the third quarter was a € 1.75 billion fixed-rate unsecured benchmark with a tenor of 7 years. For the remainder of the year we continue to opportunistically source term funds through a variety of channels to fund 2015 requirements.

Regular stress test analyses aim to ensure that we always hold sufficient cash and liquid assets to close a potential funding gap which could open under a combined scenario comprising idiosyncratic and market related stress. For this purpose we hold liquidity reserves which comprise available cash and cash equivalents, highly liquid securities (includes government, government guaranteed and agency securities) 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 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 include only 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.

Composition of our liquidity reserves by parent company (including branches) and subsidiaries

| | Sep 30, 2014 | | Dec 31, 2013 | |
|---|---|---|---|---|
| in € bn. | Carrying Value | Liquidity Value | Carrying Value | Liquidity Value |
| Available cash and cash equivalents (held primarily at central banks) | 81 | 81 | 78 | 77 |
| Parent (incl. foreign branches) | 70 | 70 | 68 | 67 |
| Subsidiaries | 11 | 11 | 10 | 10 |
| Highly liquid securities (includes government, government guaranteed and agency securities) | 96 | 88 | 95 | 89 |
| Parent (incl. foreign branches) | 75 | 70 | 71 | 67 |
| Subsidiaries | 21 | 18 | 24 | 22 |
| Other unencumbered central bank eligible securities | 11 | 7 | 23 | 17 |
| Parent (incl. foreign branches) | 9 | 6 | 17 | 13 |
| Subsidiaries | 1 | 1 | 6 | 4 |
| **Total liquidity reserves** | **188** | **176** | 196 | 183 |
| Parent (incl. foreign branches) | 154 | 146 | 156 | 147 |
| Subsidiaries | 33 | 30 | 41 | 36 |

Our liquidity reserves decreased by € 8 billion or 4 % during the first nine months of 2014 in comparison to year-end 2013.

## Capital Management

On June 25, 2014, Deutsche Bank AG completed a capital increase from authorized capital against cash contributions with gross proceeds of € 8.5 billion. The number of shares of Deutsche Bank AG has increased by 359.8 million, from 1,019.5 million to 1,379.3 million, and includes both the issuance of 59.9 million new shares without subscription rights to an anchor investor, and our fully underwritten public offering of 299.8 million new shares via subscription rights.

Prior to the launch of the fully underwritten rights offering, we issued 59.9 million new shares at a price of € 29.20 to Paramount Services Holdings Ltd., an investment vehicle ultimately beneficially owned and controlled by His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al-Thani of Qatar, who intends to remain an anchor investor in Deutsche Bank. The transaction, which we structured as a capital increase excluding subscription rights, was not subject to the registration requirements of the U.S. Securities Act of 1933, and was not offered or sold in the United States. The gross proceeds of this offering were € 1.7 billion.

In the fully underwritten public offering with subscription rights, 299.8 million new registered no par value shares (common shares) were issued. The subscription price was € 22.50 per share. 99.1 % of the subscription rights were exercised. The remaining new shares that were not subscribed were sold in the market. The gross proceeds from the offering amounted to € 6.8 billion.

The 2013 Annual General Meeting granted our Management Board the authority to buy back up to 101.9 million shares before the end of April 2018. Thereof 51.0 million shares can be purchased by using derivatives. These authorizations replaced the authorizations of the 2012 Annual General Meeting. During the period from the 2013 Annual General Meeting until the 2014 Annual General Meeting (May 22, 2014), 31.3 million shares were purchased, of which 9.4 million via derivatives. The shares purchased were used for equity compensation purposes in the same period so that the number of shares held in Treasury from buybacks remained close to zero as of the 2014 Annual General Meeting.

The 2014 Annual General Meeting granted our Management Board the authority to buy back up to 101.9 million shares before the end of April 2019. Thereof 51.0 million shares can be purchased by using derivatives. These authorizations replaced the authorizations of the 2013 Annual General Meeting. We have received approval from the BaFin for the execution of these authorizations as required under new CRR/CRD 4 rules. During the period from the 2014 Annual General Meeting until September 30, 2014, we purchased 16.7 million. The shares purchased were used for equity compensation purposes in the same period so that the number of shares held in Treasury from buybacks was 0.1 million as of September 30, 2014.

To take advantage of Deutsche Bank's low share price in the third quarter 2014, Treasury unwound 8.9 million physically settled call options purchased between May 2012 and February 2014 and entered into new 8.9 million physically settled call options with significantly lower strike prices. These call options were purchased under the authorization from the 2014 Annual General Meeting. Of the 8.9 million call options, 2.3 million have a remaining maturity of more than 18 months.

Prior to the capital increase, the authorized capital available to the Management Board was € 922 million (360 million shares). With the capital increase, this was reduced to a total face value of € 0.6 million (0.2 million shares). In addition, the 2014 Annual General meeting authorized capital with a face value of € 256 million (100 million shares). Prior to the 2014 Annual General meeting, the conditional capital available to the Management Board was € 691 million (270 million shares). Following an authorization of new conditional capital of € 256 million (100 million shares) through a partial replacement of old authorizations, the conditional capital now stands at € 486 million (190 million shares). Moreover, the 2014 Annual General meeting authorized the issuance of participatory notes for the purpose of Additional Tier 1 capital.

On May 20, 2014, Deutsche Bank AG issued undated Additional Tier 1 Notes (the "AT1 Notes"), with an equivalent value of € 3.5 billion. The transaction is the first step towards reaching the overall targeted volume of approximately € 5 billion of CRR/CRD 4 compliant Additional Tier 1 capital which we plan to issue by the end of 2015.

The offering consisted of three tranches: a € 1.75 billion tranche with a coupon of 6 %, a U.S.$ 1.25 billion tranche with a coupon of 6.25 % and a GBP 650 million tranche with a coupon of 7.125 %. All tranches were priced at an issue price of par (100 %) or greater. The denominations of the individual notes are € 100,000, U.S.$ 200,000 and GPB 100,000, respectively.

The AT1 Notes take the form of participatory notes with temporary write-down at a trigger level of 5.125 % phase-in Common Equity Tier 1 capital ratio. The AT1 Notes were issued with attached warrants, excluding shareholders' pre-emptive rights. This decision is based on the authorization granted by the 2012 Annual General Meeting. Each AT1 Note carries one warrant, entitling the owner to purchase one common share in Deutsche Bank AG. Warrants to subscribe a total of 30,250 shares from all three tranches, which had originally been attached to the notes, were detached by an initial subscriber.

Our legacy Hybrid Tier 1 capital instruments (substantially all noncumulative trust preferred securities) are no longer recognized under CRR/CRD 4 fully-loaded rules mainly because they have no write-down or equity conversion feature. However, they are largely recognized as Additional Tier 1 capital under CRR/CRD 4 transitional provisions, and can still be partially recognized as Tier 2 capital under the CRR/CRD 4 fully-loaded rules. During the transitional phase-out period the maximum recognizable amount of Additional Tier 1 instruments from Basel 2.5 compliant issuances as of December 31, 2012 will be reduced at the beginning of each financial year by 10 % or € 1.3 billion, through 2022. For September 30, 2014, this resulted in eligible Additional Tier 1 instruments of € 13.5 billion (i.e., € 3.5 billion newly issued AT1 Notes plus € 10.0 billion of legacy Hybrid Tier 1 instruments recognizable during the transition period), compared with € 11.2 billion as of December 31, 2013 under CRR/CRD 4 transitional. Three Hybrid Tier 1 capital instruments with a notional of € 1.7 billion and an eligible equivalent amount of € 1.6 billion have been called in the first nine months of 2014. € 9.3 billion of the legacy Hybrid Tier 1 instruments can still be recognized as Tier 2 capital under the CRR/CRD 4 fully loaded rules.

The Tier 2 instrument types (subordinated debt, profit participation rights, cumulative preferred securities) and the categorization into Upper and Lower Tier 2 capital according to Basel 2.5 no longer apply under CRR/CRD 4. All our former Basel 2.5-compliant Tier 2 capital instrument-types are considered as Tier 2 capital instruments according to CRR/CRD 4.

The total of our Tier 2 capital as of September 30, 2014 recognized during the transition period under CRR/CRD 4 was € 5.6 billion. Thereof, € 1.1 billion were legacy Hybrid Tier 1 instruments that are counted as Tier 2 capital, representing the excess amount of the outstanding legacy Hybrid Tier 1 instruments above the respective cap during the transitional period (the so called ‘spill-over’). The gross notional value of the Tier 2 capital instruments was € 6.7 billion. The difference to the recognizable Tier 2 capital during the transition period under CRR/CRD 4 is mainly due to capital deductions for maturity haircuts, which provide for a straight proportional reduction of the eligible amount of an instrument in the last 5 years before maturity. Since December 31, 2013, fifteen Tier 2 capital instruments with a total notional of € 3.0 billion have been called in the first nine months of 2014.

## Regulatory Capital

Starting January 1, 2014, the calculation of our regulatory capital is based on the Basel 3 framework as implemented by the “Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms” as amended (Capital Requirements Regulation, or “CRR”), and the “Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms” as amended (Capital Requirements Directive 4, or “CRD 4”) published on June 27, 2013 and implemented into German law by means of further amendments to the German Banking Act (KWG) and the German Solvency Regulation (SolvV) and accompanying regulations. Comparatives for year-end 2013 are provided on a pro forma basis as at that time the preceding Basel 2.5 framework as implemented into European and German law was still applicable. The information in this section as well as in the section “Development of risk-weighted Assets” is based on the regulatory principles of consolidation.

Under the CRR/CRD 4 transitional rules, capital instruments no longer eligible are phased-out while the new rules on regulatory adjustments are phased-in. These provisions are allowed in order to ease the transition for banks to the fully loaded capital rules. The fully loaded CRR/CRD 4 metrics do not take these transitional rules into account, (i.e. all capital instruments no longer eligible are excluded and all new regulatory adjustments are applied). In some cases, CRR/CRD 4 left in place unchanged transitional rules that had been adopted in earlier capital adequacy frameworks through Basel 2.5 regarding the risk weighting of certain categories of assets. These include rules permitting the grandfathering of equity investments at a risk-weight of 100 % and allowing the selection of the greater position of long and short positions as the basis for measurement in the Market Risk Standardized Approach rather than the sum of both long and short positions. In these cases, our CRR/CRD 4 methodology assumes that the impact of the expiration of these transitional rules will be mitigated through sales of the underlying assets or other measures prior to the expiration of the grandfathering provisions.

## Summary of Regulatory Capital, RWA and Capital Ratios

| | Sep 30, 2014 | | Dec 31, 2013 | | |
|---|---|---|---|---|---|
| in € m. | CRR/CRD 4 fully-loaded | CRR/CRD 4 | Pro forma CRR/CRD 4 fully-loaded | Pro forma CRR/CRD 4 | Basel 2.5 |
| Common Equity Tier 1 capital before regulatory adjustments | 64,741 | 64,838 | 53,846 | 53,557 | 53,558 |
| Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital | (18,735) | (5,202) | (19,850) | (1,824) | (15,024) |
| **Common Equity Tier 1 (CET 1) capital** | **46,006** | **59,636** | 33,995 | 51,733 | 38,534 |
| Additional Tier 1 (AT1) capital before regulatory adjustments | 3,468 | 13,992 | 0 | 11,741 | 12,701 |
| Total regulatory adjustments to Additional Tier 1 (AT1) capital[1] | 0 | (10,961) | 0 | (12,785) | (519) |
| **Additional Tier 1 (AT1) capital** | **3,468** | **3,030** | 0 | 0 | 12,182 |
| **Tier 1 capital (T1 = CET 1 + AT1)** | **49,474** | **62,666** | 33,995 | 51,733 | 50,717 |
| Tier 2 (T2) capital before regulatory adjustments | 13,148 | 5,654 | 14,291 | 6,085 | 7,787 |
| Total regulatory adjustments to Tier 2 (T2) capital | (37) | (485) | (107) | (906) | (3,040) |
| **Tier 2 (T2) capital** | **13,111** | **5,170** | 14,184 | 5,179 | 4,747 |
| **Total Regulatory capital (TC = T1 + T2)** | **62,585** | **67,836** | 48,179 | 56,912 | 55,464 |
| **Total risk-weighted assets** | **401,505** | **404,432** | 350,143 | 355,127 | 300,369 |
| | | | | | |
| Capital ratios | | | | | |
| Common Equity Tier 1 capital ratio (as a percentage of risk-weighted assets) | 11.5 | 14.7 | 9.7 | 14.6 | 12.8 |
| Tier 1 capital ratio (as a percentage of risk-weighted assets) | 12.3 | 15.5 | 9.7 | 14.6 | 16.9 |
| Total Regulatory capital ratio (as a percentage of risk-weighted assets) | 15.6 | 16.8 | 13.8 | 16.0 | 18.5 |

[1] Qualifying AT1 deductions that exceed AT1 capital are deducted from CET 1 capital (reflected in "Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital").

## Regulatory Capital, RWA and Capital Ratios

| | Sep 30, 2014 | | Dec 31, 2013 | | |
|---|---|---|---|---|---|
| in € m. | CRR/CRD 4 fully-loaded | CRR/CRD 4 | Pro forma CRR/CRD 4 fully-loaded | Pro forma CRR/CRD 4 | Basel 2.5 |
| Common Equity Tier 1 (CET 1) capital: instruments and reserves | | | | | |
| Capital instruments and the related share premium accounts | 36,873 | 36,873 | 28,789 | 28,789 | 28,789 |
| Thereof: Ordinary shares[1] | 36,873 | 36,873 | 28,789 | 28,789 | 28,789 |
| Retained earnings | 26,927 | 26,927 | 27,194 | 27,194 | 27,195 |
| Accumulated other comprehensive income (loss), net of tax | 562 | 539 | (2,039) | (2,457) | (2,457) |
| Funds for general banking risk | 0 | 0 | 0 | 0 | 0 |
| Amount of qualifying items referred to in Art. 484 (3) CRR and the related share premium accounts subject to phase out from CET 1 | N/M | 0 | N/M | 0 | N/M |
| Public sector capital injections grandfathered until January 1, 2018 | N/M | N/M | N/M | N/M | N/M |
| Noncontrolling Interests (amount allowed in consolidated CET 1) | 0 | 120 | 0 | 130 | 130 |
| Independently reviewed interim profits net of any foreseeable charge or dividend | 379 | 379 | (98) | (98) | (98) |
| Common Equity Tier 1 capital before regulatory adjustments | **64,741** | **64,838** | 53,846 | 53,557 | 53,558 |
| | | | | | |
| Common Equity Tier 1 capital: regulatory adjustments | | | | | |
| Additional value adjustments (negative amount)[2] | N/M | N/M | N/M | N/M | N/M |
| Intangible assets (net of related tax liabilities) (negative amount) | (12,544) | (2,509) | (11,466) | 0 | (11,466) |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities where the conditions in Art. 38 (3) CRR are met) (negative amount) | (2,252) | (450) | (2,203) | 0 | 0 |
| Fair value reserves related to gains or losses on cash flow hedges | (179) | (179) | (93) | (93) | 0 |
| Negative amounts resulting from the calculation of expected loss amounts | (730) | (150) | (987) | 0 | (430) |
| Any increase in equity that results from securitized assets (negative amount) | 0 | 0 | 0 | 0 | 0 |
| Gains or losses on liabilities designated at fair value resulting from changes in own credit standing[3] | (453) | (126) | (533) | 3 | (1) |
| Defined benefit pension fund assets (negative amount) | (780) | (156) | (663) | 0 | 0 |
| Direct, indirect and synthetic holdings by an institution of own CET 1 instruments (negative amount)[4] | (71) | (14) | (36) | 0 | (3) |
| Holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | 0 | 0 | 0 | 0 | 0 |
| Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount)[5] | 0 | 0 | 0 | 0 | 0 |
| Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)[6] | 0 | 0 | 0 | 0 | (1,589) |
| Exposure amount of the following items which qualify for a Risk Weight of 1250 %, where the institution opts for the deduction alternative | 0 | 0 | 0 | 0 | (945) |
| Thereof: | | | | | |
| Qualifying holdings outside the financial sector (negative amount) | 0 | 0 | 0 | 0 | 0 |
| Securitization positions (negative amount) | 0 | 0 | 0 | 0 | (945) |
| Free deliveries (negative amount) | 0 | 0 | 0 | 0 | 0 |
| Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liabilities where the conditions in Art. 38 (3) CRR are met) (negative amount) | (408) | (82) | (1,667) | 0 | 0 |
| Amount exceeding the 15 % threshold (negative amount) | (975) | (154) | (1,828) | 0 | 0 |
| Thereof: | | | | | |
| Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities | (389) | (61) | (839) | 0 | 0 |
| Deferred tax assets arising from temporary differences | (587) | (92) | (989) | 0 | 0 |
| Losses for the current financial year (negative amount) | 0 | 0 | 0 | 0 | 0 |
| Regulatory adjustments applied to CET 1 capital in respect of amounts subject to pre-CRR treatment: | N/M | 0 | N/M | 0 | N/M |
| Regulatory adjustments relating to unrealized gains and losses pursuant to Art. 467 and 468 CRR[7] | N/M | (1,039) | N/M | (316) | (215) |
| Amount to be deducted from or added to CET 1 capital with regard to additional filters and deductions required pre CRR[8] | (343) | (343) | (374) | (374) | (374) |

| | Sep 30, 2014 | | | | Dec 31, 2013 |
|---|---|---|---|---|---|
| in € m. | CRR/CRD 4 fully-loaded | CRR/CRD 4 | Pro forma CRR/CRD 4 fully-loaded | Pro forma CRR/CRD 4 | Basel 2.5 |
| Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount) | 0 | 0 | 0 | (1,044) | 0 |
| Other regulatory adjustments | 0 | 0 | 0 | 0 | 0 |
| Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital | **(18,735)** | **(5,202)** | (19,850) | (1,824) | (15,024) |
| Common Equity Tier 1 (CET 1) capital | **46,006** | **59,636** | 33,995 | 51,733 | 38,534 |
| | | | | | |
| Additional Tier 1 (AT1) capital: instruments | | | | | |
| Capital instruments and the related share premium accounts | 3,468 | 3,468 | 0 | 0 | 12,701 |
| Thereof: | | | | | |
| Classified as equity under applicable accounting standards | 3,468 | 3,468 | 0 | 0 | 0 |
| Classified as liabilities under applicable accounting standards | 0 | 0 | 0 | 0 | 12,701 |
| Amount of qualifying items referred to in Art. 484 (4) CRR and the related share premium accounts subject to phase out from AT1 | N/M | 10,524 | N/M | 11,741 | N/M |
| Public sector capital injections grandfathered until January 1, 2018 | N/M | N/M | N/M | N/M | N/M |
| Tier 1 capital included in consolidated AT1 capital issued by subsidiaries and held by third parties | 0 | 0 | 0 | 0 | 0 |
| Thereof: instruments issued by subsidiaries subject to phase out | N/M | 0 | N/M | 0 | N/M |
| Additional Tier 1 (AT1) capital before regulatory adjustments | **3,468** | **13,992** | 0 | 11,741 | 12,701 |
| | | | | | |
| Additional Tier 1 (AT1) capital: regulatory adjustments | | | | | |
| Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)[9] | 0 | (503) | 0 | (519) | (519) |
| Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | 0 | 0 | 0 | 0 | 0 |
| Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible shortpositions) (negative amount)[5] | 0 | 0 | 0 | 0 | 0 |
| Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)[6] | 0 | 0 | 0 | 0 | 0 |
| Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in CRR (i.e., residual amounts) | N/M | 0 | N/M | 0 | N/M |
| Residual amounts deducted from AT1 capital with regard to deduction from CET 1 capital during the transitional period pursuant to Art. 472 CRR | N/M | (10,458) | N/M | (12,266) | N/M |
| Thereof: | | | | | |
| Intangible assets | N/M | (10,035) | N/M | (11,466) | N/M |
| Shortfall of provisions to expected losses | N/M | (301) | N/M | (500) | N/M |
| Significant investments in the capital of other financial sector entities | N/M | (122) | N/M | (299) | N/M |
| Residual amounts deducted from AT1 capital with regard to deduction from Tier 2 (T2) capital during the transitional period pursuant to Art. 475 CRR | N/M | 0 | N/M | 0 | N/M |
| Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre CRR | N/M | 0 | N/M | 0 | N/M |
| T2 deductions that exceed the T2 capital of the institution (negative amount) | 0 | 0 | 0 | 0 | 0 |
| Total regulatory adjustments to Additional Tier 1 (AT1) capital[10] | **0** | **(10,961)** | 0 | (12,785) | (519) |
| Additional Tier 1 (AT1) capital | **3,468** | **3,030** | 0 | 0 | 12,182 |
| Tier 1 capital (T1 = CET 1 + AT1)[11] | **49,474** | **62,666** | 33,995 | 51,733 | 50,717 |
| | | | | | |
| Tier 2 (T2) capital: instruments and provisions | | | | | |
| Capital instruments and the related share premium accounts[12] | 12,159 | 2,866 | 14,291 | 4,834 | 7,787 |
| Amount of qualifying items referred to in Art. 484 (5) CRR and the related share premium accounts subject to phase out from T2 | N/M | 1,450 | N/M | 1,251 | N/M |
| Public sector capital injections grandfathered until January 1, 2018 | N/M | N/M | N/M | N/M | N/M |
| Qualifying own funds instruments included in consolidated T2 capital issued by subsidiaries and held by third parties | 989 | 1,338 | 0 | 0 | 0 |
| Thereof: instruments issued by subsidiaries subject to phase out | N/M | 0 | N/M | 0 | N/M |
| Credit risk adjustments | 0 | 0 | 0 | 0 | 0 |
| Tier 2 (T2) capital before regulatory adjustments | **13,148** | **5,654** | 14,291 | 6,085 | 7,787 |

| in € m. | Sep 30, 2014 CRR/CRD 4 fully-loaded | Sep 30, 2014 CRR/CRD 4 | Dec 31, 2013 Pro forma CRR/CRD 4 fully-loaded | Dec 31, 2013 Pro forma CRR/CRD 4 | Dec 31, 2013 Basel 2.5 |
|---|---|---|---|---|---|
| Tier 2 (T2) capital: regulatory adjustments | | | | | |
| Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)[9] | (37) | (61) | (107) | (107) | (75) |
| Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | 0 | 0 | 0 | 0 | 0 |
| Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)[5] | 0 | 0 | 0 | 0 | 0 |
| Thereof: | | | | | |
| New holdings not subject to transitional arrangements | N/M | N/M | N/M | N/M | N/M |
| Holdings existing before January 1, 2013 and subject to transitional arrangements | N/M | N/M | N/M | N/M | N/M |
| Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)[6] | 0 | 0 | 0 | 0 | 0 |
| Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in CRR (i.e., residual amounts) | N/M | 0 | N/M | 0 | N/M |
| Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Art. 472 CRR | N/M | (423) | N/M | (799) | N/M |
| Thereof: | | | | | |
| Shortfall of provisions to expected losses | N/M | (301) | N/M | (500) | N/M |
| Significant investments in the capital of other financial sector entities | N/M | (122) | N/M | (299) | N/M |
| Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Art. 475 CRR | N/M | 0 | N/M | 0 | N/M |
| Thereof: | | | | | |
| Reciprocal cross holdings in AT1 instruments | N/M | 0 | N/M | 0 | N/M |
| Direct holdings of nonsignificant investments in the capital of other financial sector entities | N/M | 0 | N/M | 0 | N/M |
| Amount to be deducted from or added to Additional Tier 2 capital with regard to additional filters and deductions required pre-CRR | 0 | 0 | 0 | 0 | (2,965) |
| Total regulatory adjustments to Tier 2 (T2) capital | **(37)** | **(485)** | (107) | (906) | (3,040) |
| Tier 2 (T2) capital | **13,111** | **5,170** | 14,184 | 5,179 | 4,747 |
| Total Regulatory capital (TC = T1 + T2) | **62,585** | **67,836** | 48,179 | 56,912 | 55,464 |
| Risk-weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in CRR (i.e., residual amounts)[13] | N/M | 0 | N/M | 0 | N/M |
| Thereof: | | | | | |
| Items not deducted from CET 1 (CRR residual amounts) | N/M | 0 | N/M | 0 | N/M |
| Items not deducted from AT1 items (CRR residual amounts) | N/M | 0 | N/M | 0 | N/M |
| Items not deducted from T2 items (CRR residual amounts) | N/M | 0 | N/M | 0 | N/M |
| Thereof: | | | | | |
| Indirect and synthetic holdings of own T2 instruments | N/M | 0 | N/M | 0 | N/M |
| Indirect and synthetic holdings of nonsignificant investments in the capital of other financial sector entities | N/M | 0 | N/M | 0 | N/M |
| Indirect and synthetic holdings of significant investments in the capital of other financial sector entities | N/M | 0 | N/M | 0 | N/M |
| Total risk-weighted assets | **401,505** | **404,432** | 350,143 | 355,127 | 300,369 |
| Thereof: | | | | | |
| Credit Risk | 248,136 | 251,063 | 219,967 | 224,951 | 202,219 |
| Credit Valuation Adjustment (CVA) | 18,617 | 18,617 | 12,389 | 12,389 | N/M |
| Market Risk | 71,688 | 71,688 | 66,896 | 66,896 | 47,259 |
| Operational Risk | 63,064 | 63,064 | 50,891 | 50,891 | 50,891 |
| Capital ratios and buffers | | | | | |
| Common Equity Tier 1 capital ratio (as a percentage of risk-weighted assets) | 11.5 | 14.7 | 9.7 | 14.6 | 12.8 |
| Tier 1 capital ratio (as a percentage of risk-weighted assets) | 12.3 | 15.5 | 9.7 | 14.6 | 16.9 |
| Total Regulatory capital ratio (as a percentage of risk-weighted assets) | 15.6 | 16.8 | 13.8 | 16.0 | 18.5 |

| in € m. | Sep 30, 2014 CRR/CRD 4 fully-loaded | CRR/CRD 4 | Dec 31, 2013 Pro forma CRR/CRD 4 fully-loaded | Pro forma CRR/CRD 4 | Basel 2.5 |
|---|---|---|---|---|---|
| Institution specific buffer requirement (CET 1 requirement in accordance with Art. 92 (1) (a) CRR plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk-weighted assets)[14] | 9.0 | 4.0 | 9.0 | 4.0 | 0.0 |
| Thereof: | | | | | |
| Capital conservation buffer requirement | 2.5 | 0.0 | 2.5 | 0.0 | 0.0 |
| Countercyclical buffer requirement[15] | N/M | N/M | N/M | N/M | N/M |
| Systemic risk buffer requirement | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer[16] | 2.0 | 0.0 | 2.0 | 0.0 | 0.0 |
| Common Equity Tier 1 capital available to meet buffers (as a percentage of risk-weighted assets)[17] | 5.5 | 9.2 | 3.7 | 9.1 | 0.0 |
| Amounts below the thresholds for deduction (before risk weighting) | | | | | |
| Direct, indirect and synthetic holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)[5] | 3,359 | 3,359 | 3,097 | 3,097 | 0 |
| Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)[6] | 2,749 | 2,831 | 2,340 | 2,580 | 0 |
| Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Art. 38 (3) CRR are met) | 4,152 | 4,277 | 2,760 | 3,044 | 0 |
| Applicable caps on the inclusion of provisions in Tier 2 capital | | | | | |
| Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap) | 0 | 0 | 0 | 0 | 0 |
| Cap on inclusion of credit risk adjustments in T2 under standardized approach | 419 | 419 | 488 | 488 | 0 |
| Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) | 0 | 0 | 0 | 0 | 0 |
| Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | 1,020 | 1,020 | 984 | 984 | 894 |
| Capital instruments subject to phase-out arrangements | | | | | |
| Current cap on CET 1 instruments subject to phase-out arrangements | N/M | 0 | N/M | 0 | N/M |
| Amount excluded from CET 1 due to cap (excess over cap after redemptions and maturities) | N/M | 0 | N/M | 0 | N/M |
| Current cap on AT1 instruments subject to phase-out arrangements | N/M | 10,021 | N/M | 11,273 | N/M |
| Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | N/M | 1,124 | N/M | 0 | N/M |
| Current cap on T2 instruments subject to phase-out arrangements | N/M | 2,908 | N/M | 3,271 | N/M |
| Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | N/M | 0 | N/M | 0 | N/M |

N/M – Not meaningful
1 Based on EBA list as referred to in Article 26 (3) of CRR.
2 Final draft technical standard published by EBA is not yet adopted by European Commission.
3 Gains and losses on liabilities of the institution that are valued at fair value that result from changes in the own credit standing of the institution acc. Art. 33 (1) (b) CRR as well as all fair value gains and losses arising from the institution's own credit risk related to derivative liabilities acc Art. 33 (1) (c) CRR.
4 Excludes holdings that are already considered in the accounting base of Common Equity. Basel 2.5: amounts in compliance with Basel 2.5-regulations (i.a. only direct holdings).
5 Based on our current interpretation no deduction amount expected. Basel 2.5: amounts in compliance with Basel 2.5-regulations (i.a. only direct holdings and Basel 2.5 threshold).
6 Basel 2.5: amounts in compliance with Basel 2.5-regulations (i.a. only direct holdings and Basel 2.5 threshold).
7 Basel 2.5: amounts in compliance with Basel 2.5-regulations (i.a. prudential filter based on Consolidated Financial Statements Reconciliation Regulation "Konzernabschlussüberleitungs-verordnung").
8 Prudential filter for fund for home loans and savings protection ("Fonds zur bauspartechnischen Absicherung") and for capital effects resulting from nonfinancial at-equity investments.
9 Basel 2.5: amounts in compliance with Basel 2.5-regulations (i.a. only direct holdings).
10 Qualifying AT1 deductions that exceed AT1 capital are deducted from CET 1 capital (reflected in "Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital").
11 Includes silent participations of € 16 million as of September 30, 2014 and of € 20 million as of December 31, 2013.
12 Amortisation is taken into account.
13 Excludes risk-weighted assets for positions in the trading book which are subject to phase out as prescribed in CRR (i.e., CRR residual amounts) as attributed risk-weighted assets are calculated on a portfolio basis.
14 Art. 465 (1) (a) CRR requires a minimum Common Equity Tier 1 capital ratio of 4 % for the period from January 1, 2014 to December 31, 2014. Art. 92 (1) (a) CRR requires a minimum Common Equity Tier 1 capital ratio of 4.5 % excluding additional capital buffer for the years after the aforementioned period.
15 Countercyclical buffer rates not yet available.
16 G-SII buffer as published in November 2013 by Financial Stability Board.
17 Calculated as the CET 1 capital less any CET 1 items used to meet Tier 1 and Total capital requirements.

### Reconciliation of shareholders' equity to regulatory capital

| | Sep 30, 2014 | | Dec 31, 2013 | | |
|---|---|---|---|---|---|
| in € m. | CRR/CRD 4 fully-loaded | CRR/CRD 4 | Pro forma CRR/CRD 4 fully-loaded | Pro forma CRR/CRD 4 | Basel 2.5 |
| Total shareholders' equity per accounting balance sheet | **66,352** | **66,352** | 54,719 | 54,719 | 54,719 |
| Deconsolidation / Consolidation of entities | (765) | (765) | (110) | (110) | (110) |
| Thereof: | | | | | |
| Additional paid-in capital | (11) | (11) | (12) | (12) | (12) |
| Retained earnings | (778) | (778) | (516) | (516) | (516) |
| Accumulated other comprehensive income, net of tax | 23 | 23 | 418 | 418 | 418 |
| Total shareholders' equity per regulatory balance sheet | **65,587** | **65,587** | 54,609 | 54,609 | 54,609 |
| Noncontrolling interest based on transitional rules | 0 | 120 | 0 | 130 | 130 |
| Dividend accrual | (846) | (846) | (765) | (765) | (765) |
| Reversal of deconsolidation/consolidation of accumulated other comprehensive income, net of tax, during transitional period | 0 | (23) | 0 | (418) | (418) |
| Other | 0 | 0 | 0 | 0 | 0 |
| Common Equity Tier 1 (CET 1) capital before regulatory adjustments | **64,741** | **64,838** | 53,846 | 53,557 | 53,558 |

## Development of Risk-weighted Assets

The tables below provide an overview of risk-weighted assets broken down by model approach and business division. They include the aggregated effects of reallocations between the segments.

For the current reporting date the amounts presented are based on the CRR/CRD 4 framework according to the transitional rules. The amounts for the comparative period are presented on the then prevailing Basel 2.5 framework.

In line with our decision to scale down and discontinue parts of our commodities business, certain portfolios containing discontinued activities were aggregated under the Special Commodities Group (SCG), which has been subsequently transferred from CB&S to NCOU in the first quarter of 2014. The amounts for credit, market and operational risk RWA for the comparative period have been restated including related effects from reallocations between the segments, accordingly.

## Risk-weighted Assets by Model Approach and Business Division

| | | | | | | | Sep 30, 2014<br>CRR/CRD 4 |
|---|---|---|---|---|---|---|---|
| in € m. | Corporate Banking & Securities | Private & Business Clients | Global Transaction Banking | Deutsche Asset & Wealth Management | Non-Core Operations Unit | Consolidation & Adjustments and Other | Total |
| Credit Risk | 88,190 | 69,976 | 41,482 | 7,098 | 22,162 | 22,155 | 251,063 |
| Segmental reallocation | (1,802) | 463 | 2,712 | 293 | 181 | (1,847) | 0 |
| Advanced IRBA | 80,405 | 52,946 | 31,797 | 3,206 | 12,630 | 1,667 | 182,651 |
| Central Governments | 3,608 | 66 | 943 | 0 | 53 | 206 | 4,876 |
| Institutions | 9,450 | 1,693 | 2,856 | 85 | 778 | 84 | 14,946 |
| Corporates | 59,872 | 8,239 | 26,712 | 2,722 | 5,964 | 1,245 | 104,755 |
| Retail | 112 | 36,947 | 34 | 107 | 833 | 0 | 38,033 |
| Other | 7,362 | 6,000 | 1,253 | 292 | 5,002 | 131 | 20,040 |
| Foundation IRBA | 0 | 2,044 | 0 | 0 | 1 | 0 | 2,044 |
| Central Governments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutions | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Corporates | 0 | 2,043 | 0 | 0 | 1 | 0 | 2,044 |
| Retail | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other IRBA | 5,256 | 6,932 | 116 | 542 | 2,611 | 12,839 | 28,297 |
| Central Governments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutions | 332 | 82 | 0 | 0 | 0 | 1,680 | 2,094 |
| Corporates | 1,877 | 3,285 | 98 | 0 | 63 | 0 | 5,323 |
| Retail | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 3,046 | 3,565 | 19 | 542 | 2,548 | 11,160 | 20,879 |
| Standardized Approach | 4,331 | 7,591 | 6,857 | 3,058 | 6,739 | 9,496 | 38,071[0] |
| Central Governments | 3 | 69 | 29 | 2 | 0 | 18 | 122 |
| Institutions | 644 | 93 | 25 | 24 | 32 | 34 | 852 |
| Corporates | 3,083 | 1,768 | 5,803 | 1,217 | 3,000 | 690 | 15,561 |
| Retail | 12 | 4,566 | 816 | 46 | 2,379 | 20 | 7,839 |
| Other | 589 | 1,094 | 183 | 1,769 | 1,327 | 8,735 | 13,697 |
| Credit Valuation Adjustment (CVA) | 13,778 | 426 | 1 | 394 | 4,016 | 1 | 18,617 |
| Internal Model Approach | 13,481 | 363 | 1 | 392 | 3,941 | 1 | 18,180 |
| Standardized Approach | 297 | 63 | 0 | 2 | 75 | 0 | 437 |
| Market Risk | 52,440 | 82 | 216 | 2,256 | 16,693 | 0 | 71,688 |
| Internal Model Approach | 32,579 | 0 | 216 | 1,206 | 8,470 | 0 | 42,471 |
| Standardized Approach | 19,861 | 82 | 0 | 1,050 | 8,223 | 0 | 29,217 |
| Operational Risk | 29,200 | 9,499 | 1,194 | 6,078 | 17,093 | 0 | 63,064 |
| Advanced measurement approach | 29,200 | 9,499 | 1,194 | 6,078 | 17,093 | 0 | 63,064 |
| Total | 183,608 | 79,983 | 42,894 | 15,826 | 59,964 | 22,157 | 404,432 |

| | | | | | | | Dec 31, 2013 Basel 2.5 |
|---|---|---|---|---|---|---|---|
| in € m. | Corporate Banking & Securities | Private & Business Clients | Global Transaction Banking | Deutsche Asset & Wealth Management | Non-Core Operations Unit | Consolidation & Adjustments and Other | Total |
| Credit Risk | 58,952 | 65,909 | 35,418 | 5,809 | 25,298 | 10,832 | 202,219 |
| Segmental reallocation | (850) | 553 | 1,912 | 259 | 277 | (2,152) | 0 |
| Advanced IRBA | 53,598 | 42,651 | 26,140 | 2,589 | 14,104 | 813 | 139,894 |
| Central Governments | 2,922 | 90 | 896 | 5 | 258 | 181 | 4,353 |
| Institutions | 5,401 | 803 | 1,921 | 80 | 959 | 12 | 9,175 |
| Corporates | 40,970 | 5,638 | 22,378 | 2,398 | 9,394 | 620 | 81,397 |
| Retail | 124 | 35,844 | 33 | 106 | 1,027 | 0 | 37,134 |
| Other | 4,181 | 276 | 911 | 0 | 2,466 | 0 | 7,834 |
| Foundation IRBA | 0 | 5,937 | 0 | 0 | 264 | 0 | 6,202 |
| Central Governments | 0 | 0 | 0 | 0 | 2 | 0 | 2 |
| Institutions | 0 | 1,059 | 0 | 0 | 261 | 0 | 1,320 |
| Corporates | 0 | 4,879 | 0 | 0 | 1 | 0 | 4,880 |
| Retail | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other IRBA | 2,330 | 8,046 | 87 | 440 | 3,163 | 2,424 | 16,490 |
| Central Governments | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Corporates | 1,367 | 4,630 | 67 | 0 | 2 | 0 | 6,067 |
| Retail | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 963 | 3,415 | 20 | 440 | 3,161 | 2,424 | 10,424 |
| Standardized Approach | 3,874 | 8,722 | 7,279 | 2,521 | 7,489 | 9,748 | 39,633 |
| Central Governments | 61 | 73 | 39 | 0 | 40 | 0 | 213 |
| Institutions | 28 | 116 | 12 | 8 | 32 | 1 | 198 |
| Corporates | 2,868 | 2,004 | 6,106 | 937 | 2,850 | 470 | 15,235 |
| Retail | 10 | 4,654 | 916 | 49 | 2,627 | 0 | 8,257 |
| Other | 906 | 1,876 | 206 | 1,526 | 1,941 | 9,275 | 15,729 |
| Market Risk | 33,435 | 128 | 562 | 2,085 | 11,050 | 0 | 47,259 |
| Internal Model Approach | 28,118 | 0 | 562 | 1,102 | 9,930 | 0 | 39,712 |
| Standardized Approach | 5,317 | 128 | 0 | 983 | 1,120 | 0 | 7,547 |
| Operational Risk | 22,342 | 6,964 | 832 | 4,659 | 16,095 | 0 | 50,891 |
| Advanced measurement approach | 22,342 | 6,964 | 832 | 4,659 | 16,095 | 0 | 50,891 |
| Total | 114,729 | 73,001 | 36,811 | 12,553 | 52,443 | 10,832 | 300,369 |

The development of risk-weighted assets in the first nine months of 2014 was mainly impacted by the application of the new solvency rules under the CRR/CRD 4 framework, reflecting an increase in credit and market risk as well as introducing the new credit valuation adjustment charge.

The tables below provide an analysis of key drivers for risk-weighted asset movements observed for credit, market and operational risk in the reporting period. The comparative numbers for 2013 are presented on a Basel 2.5 basis and the current reporting period also starts the Basel 2.5 values at the beginning of the year. The end of period amounts are then based upon CRR/CRD 4 transitional rules. The changes in RWA due to the application of the new solvency rules under the CRR/CRD 4 framework are included in the methodology and policy category.

## Development of Risk-weighted Assets for Credit Risk

| | Nine months ended Sep 30, 2014 CRR/CRD 4 | | Twelve months ended Dec 31, 2013 Basel 2.5 | |
|---|---|---|---|---|
| in € m. | Counterparty credit risk | Thereof: derivatives and repo-style transactions | Counterparty credit risk | Thereof: derivatives and repo-style transactions |
| Credit risk RWA balance, beginning of year | **202,219**[1] | **29,454**[1] | 228,952 | 35,274 |
| Book size | 4,187 | (1,113) | (4,516) | (2,167) |
| Book quality | (838) | 1,795 | (9,701) | (2,247) |
| Model updates | 10,376 | 10,376 | (2,061) | 0 |
| Methodology and policy | 24,110 | 297 | 0 | 0 |
| Acquisition and disposals | (1,711) | (62) | (5,467) | (3) |
| Foreign exchange movements | 8,620 | 2,379 | (4,988) | (1,403) |
| Other | 4,101 | 0 | 0 | 0 |
| Credit risk RWA balance, end of period | **251,063** | **43,126** | 202,219 | 29,454 |

[1] RWA balances beginning of the year 2014 are based on Basel 2.5.

The category "Book size" considers organic changes in our portfolio size and composition. "Book quality" mainly represents the effects from portfolio rating migrations, loss given default, model parameter re-calibrations as well as collateral coverage activities. Model refinements and advanced model roll out are included in "Model updates". RWA movements resulting from external, regulatory-driven changes, e.g. applying new regulations, are considered in the "Methodology and policy" section. "Acquisition and disposals" is reserved to show significant exposure movements which can be clearly assigned to new businesses and disposal-related activities. Changes that cannot be attributed to the above categories are reflected in the category "Other".

The increase in RWA for credit risk by € 48.8 billion or 24 % since December 31, 2013 is significantly determined by the introduction of the new CRR/CRD 4 regulatory framework. This effect is shown in the "Methodology and policy" category. The RWA change in the category "Model updates" represents the impact of a more restrictive application of the maturity capping which allows the bank to use a maturity of 1 year when calculating the credit risk RWA for derivatives depending on the market risk model applied for the Credit Valuation Adjustment (CVA) RWA as well as a model change for our Internal Model Method impacting Derivatives RWA. The increase in the category "Book size" predominantly shows the extended activities in our core business partially offset by lower volumes in Derivatives & Security Financing business as well as from reduction efforts resulting from de-risking activities in our non-core business. The decrease in the category "Acquisition and Disposals" primarily shows the impact of the sale of BHF-BANK in the first quarter 2014. The increase in the category "Other" mainly reflects effects on RWA in relation to applying the 10/15 % threshold rule subsequent to our share capital increase in the second quarter 2014.

On a fully loaded basis movements in RWA for credit risk in 2014 are quite comparable to the movements under the transitional rules mainly reflecting the introduction of the new CRR/CRD 4 regulatory framework. As of September 30, 2014, fully loaded RWA amounted to € 248.1 billion with the € 2.9 billion lower level compared with the RWA under transitional rules mainly attributable to lower RWA from our pension fund assets.

## Development of Risk-weighted Assets for Credit Valuation Adjustment

Based on the new CRR/CRD 4 regulatory framework, we are required to calculate RWA using the CVA which takes into account the credit quality of our counterparties. RWA for CVA covers the risk of mark-to-market losses on the expected counterparty risk in connection with OTC derivative exposures. We calculate the majority of the CVA based on our own internal model as approved by BaFin. As of September 30, 2014, the RWA for CVA amounted to € 18.6 billion, representing an increase of € 6.2 billion (50 %) compared with our pro forma calculation of € 12.4 billion for December 31, 2013. The increase was driven by changes to the portfolio as part of regular business activities throughout the year, but also due to re-optimisation of the CVA RWA hedging program and market volatility. During the third quarter de-risking efforts accelerated in both core and non-core business units which contributed to the decline in our CVA RWA consumption since the end of the second quarter when it had stood at € 21.3 billion.

### Development of Risk-weighted Assets for Market Risk

| in € m. | Nine months ended Sep 30, 2014 CRR/CRD 4 | Twelve months ended Dec 31, 2013 Basel 2.5 |
|---|---|---|
| Market risk RWA balance, beginning of year | **47,259**[1] | 53,058 |
| Movement in risk levels | 3,881 | (8,598) |
| Market data changes and recalibrations | (1,492) | 1,136 |
| Model updates | 442 | 542 |
| Methodology and policy | 19,770 | 1,200 |
| Acquisitions and disposals | (81) | 0 |
| Foreign exchange movements | 1,909 | (79) |
| Market risk RWA balance, end of period | **71,688** | 47,259 |

[1] RWA balance beginning of the year 2014 is based on Basel 2.5.

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 market risk RWA movements due to changes in market data levels, volatilities, correlations, liquidity and ratings are included under the market data changes and recalibrations category. Changes to our market risk RWA internal models, such as methodology enhancements or risk scope extensions, are included in the category of model updates. In the methodology and policy category we reflect regulatory driven changes to our market risk RWA models and calculations. Significant new businesses and disposals would be assigned to the line item acquisition and disposals.

The € 24.4 billion (52 %) RWA increase for market risk since December 31, 2013 was primarily driven by increases in the category methodology and policy as well as movement in risk levels. There is an € 18.6 billion RWA increase for methodology and policy primarily from the Market Risk Standardized Approach for securitizations due to the new regulatory CRR/CRD 4 framework, which became effective on January 1, 2014. In the new framework we assign all retained securitization positions that are unrated or rated below BB a risk weight of 1,250 % to the exposure and these are now included in RWA whereas these exposures were previously considered capital deduction items. Also, under the new framework there is some increase in the floor applied to the comprehensive risk measure for the correlation trading portfolio although this has now been offset by de-risking. There has been an increase from movements in risk levels since December 31, 2013 although some of

these increases have been reduced during the third quarter. The main increases in risk levels have been across the Market Risk Standardized Approach for securitizations, the value-at-risk and stressed value-at-risk measures. There has also been an increase from Foreign exchange movements in the year to date mainly in the third quarter.

Development of Risk-weighted Assets for Operational Risk

| in € m. | Nine months ended Sep 30, 2014 CRR/CRD 4 | Twelve months ended Dec 31, 2013 Basel 2.5 |
|---|---|---|
| Operational risk RWA balance, beginning of year | **50,891**[1] | 51,595 |
| Loss profile changes (internal and external) | 5,295 | 2,623 |
| Expected loss development | 49 | (959) |
| Forward looking risk component | (715) | (515) |
| Model updates | 7,652 | 1,885 |
| Methodology and policy | 0 | 0 |
| Acquisitions and disposals | (109) | (3,738) |
| Operational risk RWA balance, end of period | **63,064** | 50,891 |

[1] RWA balance beginning of the year 2014 is based on Basel 2.5.

The overall RWA increase of € 12.2 billion was mainly driven by our early recognition of enhancements to our Advanced Measurement Approach (AMA) model in the second quarter which led to additional RWA of € 7.7 billion. From the third quarter, further effects from the model change related reasonably possible litigation losses, € 3.1 billion for the third quarter, are shown under the category “loss profile changes”.

The increase of the loss profile changes resulted from large external market operational risk events which are reflected in our AMA model such as settlements of regulatory matters by financial institutions and from higher reasonably possible litigation losses add-ons.

The embedded impacts from the AMA model enhancements on the other operational risk RWA components, specifically on the expected loss, are expected to materialize subsequently to the awaited BaFin model approval and implementation of the model changes.

## 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 favour 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. Following the publication of the CRR/CRD 4 framework on June 27, 2013, we have established a new leverage ratio calculation according to the legally binding framework.

### Reconciliation of Exposure Measures used for leverage ratio calculations

| in € bn. (unless stated otherwise) | Sep 30,2014 | | Dec 31, 2013 | |
|---|---|---|---|---|
| | Total Assets IFRS | CRR/CRD 4 fully loaded | Total Assets IFRS | Pro forma CRR/CRD 4 fully loaded |
| Exposure Measure (spot value at reporting date) | **1,709** | **1,478** | 1,611 | 1,445 |
| Total Delta to IFRS | | (231) | | (167) |
| Major exposure components and breakdown of delta to IFRS from: | | | | |
| Derivatives[1] | **560** | **336** | 509 | 373 |
| Delta to IFRS from | | | | |
| Netting | | (458) | | (401) |
| Add-on | | 234 | | 266 |
| Securities Financing Transactions[2] | **175** | **43** | 207 | 44 |
| Delta to IFRS from | | | | |
| Supervisory Volatility Adjustments Approach[3] | | (132) | | (163) |
| Remaining Assets | **975** | **901** | 896 | 866 |
| Delta to IFRS from | | | | |
| Pending Settlements Netting | | (74) | | (30) |
| Off-Balance Sheet Exposure | | **230** | | 199 |
| With 100 % credit conversion factor | | 215 | | 185 |
| With 50 % credit conversion factor | | 3 | | 2 |
| With 20 % credit conversion factor | | 8 | | 8 |
| With 10 % credit conversion factor | | 4 | | 5 |
| Adjustments[4] | | **(32)** | | (38) |
| Total equity (IFRS) | **70.1** | | 55.0 | |
| Fully loaded Tier 1 capital | | **49.5** | | 34.0 |
| IFRS Leverage Ratio (in x) | 24.2 | | 29.3 | |
| Fully loaded CRR/CRD 4 Leverage Ratio (in %) | | 3.3 | | 2.4 |

[1] Including derivatives qualifying for hedge accounting.
[2] Including Prime Brokerage receivables.
[3] Includes regulatory netting, collateral recognition and supervisory haircuts, also for non-cash SFT.
[4] Including transition from accounting to regulatory view as well as regulatory adjustments.

Our IFRS leverage ratio calculated as the ratio of total assets under IFRS to total equity under IFRS was 24 as of September 30, 2014, down compared with 29 at the end of 2013.

As of September 30, 2014, our fully loaded CRR/CRD 4 leverage ratio, which is a non-GAAP financial measure, was 3.3 %, compared with 2.4 % as of December 31, 2013, taking into account a fully loaded Tier 1 capital of € 49.5 billion over an applicable exposure measure of € 1,478 billion (€ 34.0 billion and € 1,445 billion as of December 31, 2013, respectively).

The main drivers for the above-shown improvements in the leverage ratios were our aforementioned capital increase, the issuance of CRR/CRD 4 compliant Additional Tier 1 Notes and our net income attributable to Deutsche Bank shareholders in the first nine months of 2014, which together increased the respective capital measures.

In light of the introduction of the fully loaded CRR/CRD 4 leverage ratio, we discontinued both the calculation of our adjusted CRR/CRD 4 leverage ratio, which was calculated considering the phase-out methodology to derive an adjusted Tier 1 capital, as well as the adjusted IFRS leverage ratio, which was calculated after applying adjustments to reported total assets and total equity under IFRS.

On October 10, 2014 the European Commission adopted a delegate act which leads to substantial changes in the calculation of the leverage exposure measure for leverage ratio under a revised CRR/CRD 4 framework:

— Written Credit Derivatives: The effective notional amount of written credit derivatives, i.e., the notional reduced by any negative fair value changes that have been incorporated in Tier 1 capital will be included in the leverage ratio exposure measure. The resulting exposure measure may be further reduced by the effective notional amount of a purchased credit derivative on the same reference name provided certain conditions are met.
— Variation Margin Netting: Variation margin received in cash from counterparties will be deducted from the current replacement cost portion of the leverage ratio exposure measure and variation margin paid to counterparties will be deducted from the leverage ratio exposure measure related to receivables recognized as an asset on the balance sheet, provided certain conditions are met.
— SFT: Gross receivables for securities financing transactions (SFT) are permitted to be netted with SFT payables if specific conditions are met. In addition to the gross exposure an add-on for the net counterparty exposure is required to be included in the SFT exposure measure. In the transition from Supervisory Volatility Adjustments Approach (SVAA) to the Net Exposure the haircuts are removed from the exposure measure.
— Off-balance-sheet exposure: Off-balance sheet exposure will no longer be weighted 100 %, but rather the weighting of will be according to the credit risk conversion factors (CCF) of the standardized approach for credit risk of 0 %, 20 %, 50 %, or 100 %, which depend on the risk category, subject to a floor of 10 %.
— Regulatory Adjustments: Modification of regulatory adjustments with respect to non deducted financial sector entities.

The following table provides an estimate of the potential impact of the revised CRR/CRD 4 rules on the leverage exposure measure:

### Reconciliation of Revised Exposure Measures used for leverage ratio calculations

| in € bn. | Sep 30, 2014 |
|---|---|
| **Exposure Measure for Leverage Ratio according to CRR/CRD 4** | **1,478** |
| Changes to: | |
| Written Credit Derivatives | 79 |
| Variation Margin Netting | (68) |
| SFT: Gross Receivables Inclusion & Transition from SVAA to Net Exposure | 147 |
| Off-Balance Sheet: Change of CCF | (89) |
| Regulatory Adjustments | (20) |
| **Revised Exposure Measure for Leverage Ratio according to CRR/CRD 4** | **1,526** |
| | |
| **Fully loaded Tier 1 Capital** | **49.5** |
| | |
| Revised fully loaded CRR/CRD 4 Leverage Ratio (in %) taking into account regulatory changes | 3.2 |

As of September 30, 2014, our revised fully loaded CRR/CRD 4 leverage ratio, taking into account our expectation of the changes as outlined above, which is a non-GAAP financial measure, was 3.2 % taking into account a fully loaded Tier 1 capital of € 49.5 billion over an applicable exposure measure of € 1,526 billion.

# Overall Risk Position

The table below shows our overall risk position as measured by the economic capital usage calculated for credit, market, operational and business risk for the dates specified. To determine our overall (nonregulatory) risk position, we generally consider diversification benefits across risk types.

### Overall risk position as measured by economic capital usage by risk type

| in € m. (unless stated otherwise) | Sep 30, 2014 | Dec 31, 2013 | 2014 increase (decrease) from 2013 in € m. | 2014 increase (decrease) from 2013 in % |
|---|---|---|---|---|
| Credit risk | 13,099 | 12,013 | 1,086 | 9 |
| Market risk | 14,475 | 12,738 | 1,737 | 14 |
| Trading market risk | 4,628 | 4,197 | 431 | 10 |
| Nontrading market risk | 9,847 | 8,541 | 1,306 | 15 |
| Operational risk | 6,778 | 5,253 | 1,525 | 29 |
| Business risk | 2,497 | 1,682 | 815 | 48 |
| Diversification benefit[1] | (6,017) | (4,515)[2] | (1,502) | 33 |
| **Total economic capital usage** | **30,831** | 27,171 | 3,660 | 13 |

[1] Diversification benefit across credit, market, operational and strategic risk (largest part of business risk)
[2] Excluding strategic risk (not included in the diversification calculation for 2013)

As of September 30, 2014, our economic capital usage amounted to € 30.8 billion, which was € 3.7 billion, or 13 %, above the € 27.2 billion economic capital usage as of December 31, 2013.

The economic capital usage for credit risk increased by € 1.1 billion to € 13.1 billion as of September 30, 2014. This increase is driven by higher risk exposures in CB&S.

The economic capital usage for trading market risk increased to € 4.6 billion as of September 30, 2014, compared with € 4.2 billion at year-end 2013. This was mainly driven by increased exposures in the fair value banking book. Non trading market risk economic capital usage increased by € 1.3 billion to € 9.8 billion as of September 30, 2014, compared with € 8.5 billion at year end 2013. The increase in non trading market risk economic capital usage included € 338 million increase in investment risk economic capital and € 968 million constitutes an increase in other non trading market risk economic capital, which was mainly driven by higher structural foreign exchange exposure and methodology enhancements for pension risk.

The economic capital usage for operational risk increased to € 6.8 billion as of September 30, 2014, compared with € 5.3 billion at year-end 2013. The increase is mainly driven by our proactive recognition of the impact of model enhancements to our Advanced Measurement Approach (AMA) model. While our dialogue with BaFin on these model enhancements is on-going, management has decided to recognise the impact of these model changes where they will lead to an increase in capital requirement over our models that have been previously approved by the BaFin.

Our business risk economic capital methodology captures strategic risk, which also implicitly includes elements of refinancing and reputational risk, and a tax risk component. The business risk economic capital usage totaled € 2.5 billion as of September 30, 2014, which is € 815 million or 48 % higher than the € 1.7 billion economic capital usage as of December 31, 2013. The increase mainly reflected a higher economic capital usage for the strategic risk component driven by adjustments to the strategic plan for 2014.

The inter-risk diversification effect of the economic capital usage across credit, market, operational and strategic risk increased by € 1.5 billion, or 33 %, as of September 30, 2014, mainly reflecting the increase in economic capital usage before diversification and a methodology update in the first quarter 2014, which relates, among other things, to the incorporation of strategic risk into the diversification calculation.

# Internal Capital Adequacy

As the primary measure of our Internal Capital Adequacy Assessment Process (ICAAP) 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. Our capital supply definition is aligned with the CRR/CRD 4 capital framework.

## Internal Capital Adequacy

| in € m.<br>(unless stated otherwise) | Sep 30, 2014 | Dec 31, 2013 |
|---|---|---|
| Capital Supply | | |
| Shareholders' Equity | 66,352 | 54,719 |
| Fair Value gains on own debt and debt valuation adjustments, subject to own credit risk[1] | (453) | (537) |
| Deferred Tax Assets | (6,850) | (7,071) |
| Fair Value adjustments for financial assets reclassified to loans[2] | 0 | (363) |
| Noncontrolling Interests[3] | 0 | 0 |
| Hybrid Tier 1 capital instruments | 14,720 | 12,182 |
| Tier 2 capital instruments | 6,665 | 9,689 |
| Capital Supply | **80,435** | 68,619 |
| | | |
| Capital Demand | | |
| Economic Capital Requirement | 30,831 | 27,171 |
| Intangible Assets | 14,672 | 13,932 |
| Capital Demand | **45,503** | 41,103 |
| | | |
| Internal Capital Adequacy Ratio in % | **177** | 167 |

[1] Includes deduction of fair value gains on own credit-effect relating to own liabilities designated under the fair value option as well as the debt valuation adjustments.
[2] Includes fair value adjustments for assets reclassified in accordance with IAS 39 and for banking book assets where no matched funding is available. A € 87 million positive adjustment for assets reclassified in accordance with IAS 39 was not considered.
[3] Includes noncontrolling interest up to the economic capital requirement for each subsidiary.

A ratio of more than 100 % signifies that the total capital supply is sufficient to cover the capital demand determined by the risk positions. This ratio was 177 % as of September 30, 2014, compared with 167 % as of December 31, 2013. The change of the ratio was driven by an increase in capital supply. Shareholders' Equity increased by € 11.6 billion mainly driven by the capital increase completed on June 25, 2014. Hybrid Tier 1 capital instruments increased by € 2.5 billion mainly driven by the issuance of Additional Tier 1 Notes on May 20, 2014. Further details are explained in the section "Capital Management". Tier 2 capital instruments decreased by € 3.0 billion mainly due to called capital instruments. The increase in capital demand was driven by higher economic capital requirement as explained in the section "Overall Risk Position".

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.