Basis of Preparation (unaudited)

The accompanying condensed consolidated interim financial statements, which include Deutsche Bank AG and its subsidiaries (collectively the "Group"), are stated in euros, the presentation currency of the Group. They are presented in accordance with the requirements of IAS 34, "Interim Financial Reporting", and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU"). The Group's application of IFRS results in no differences between IFRS as issued by the IASB and IFRS as endorsed by the EU.

Some IFRS disclosures incorporated in the Management Report are an integral part of the consolidated interim financial statements. These include the Segmental Results of Operations of the Segmental Information note which is presented in the Operating and Financial Review: Segmental Results of the Management Report. The presentation of this information is in compliance with IAS 34 and IFRS 8, "Operating Segments".

Deutsche Bank's condensed consolidated interim financial statements are unaudited and include supplementary disclosures on segment information, income statement, balance sheet and other financial information. They should be read in conjunction with the audited consolidated financial statements of Deutsche Bank for 2013, for which the same accounting policies and critical accounting estimates have been applied with the exception of the newly adopted accounting pronouncements outlined in section "Impact of Changes in Accounting Principles".

The preparation of financial statements under IFRS requires management to make estimates and assumptions for certain categories of assets and liabilities.

These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates and the results reported should not be regarded as necessarily indicative of results that may be expected for the entire year.

Funding Valuation Adjustment

In the fourth quarter 2013, the Group completed the implementation of a valuation methodology for incorporating the market-implied funding costs for uncollateralized derivative positions (commonly referred to as Funding Valuation Adjustment). The implementation of the Funding Valuation Adjustment was in response to growing evidence that term funding is an important component of fair value for uncollateralized derivatives and resulted in a € 366 million loss which has been recognized in the fourth quarter 2013 in the Consolidated Statement of Income.

Interest Income and Expense for Securities Borrowed and Loaned and Advisory Fees

In the fourth quarter of 2013, the Group restated comparative information for certain line items in the consolidated statement of income for the years ended December 31, 2012 and 2011 for the effect of errors. These restatements had no impact on net interest income, net revenues, net income or shareholders equity. The following table shows the effect of the errors on the consolidated statement of income for the three and nine months ended September 30, 2013.

	Three months ended Sep 30, 2013			
in € m.	Balance as reported	Securities borrowed/ securities loaned	Advisory fees	Balance adjusted
Interest income	6,718	(170)	0	6,548
Interest expense	(3,081)	170	0	(2,911)
Commissions and fee income	3,028	0	106	3,134
Net gains (losses) on financial assets/liabilities held at fair value through profit and loss	413	0	(106)	307

	Nine months ended Sep 30, 2013			
in € m.	Balance as reported	Securities borrowed/ securities loaned	Advisory fees	Balance adjusted
Interest income	20,301	(504)	0	19,797
Interest expense	(9,362)	504	0	(8,858)
Commissions and fee income	8,878	0	356	9,234
Net gains (losses) on financial assets/liabilities held at fair value through profit and loss	4,594	0	(356)	4,238

Interest Income and Expense on Securities Borrowed and Securities Loaned – Retrospective adjustments were made to restate interest income and expense to more accurately reflect the fees paid/received on securities borrowed/securities loaned transactions. The adjustment resulted in decreases in both interest income and expense but did not have any impact on net interest income, net income or shareholders' equity.

Advisory Fees – Retrospective adjustments were made to reclassify advisory fees from Net gains/losses on financial assets held at fair value to Commissions and fee income to reflect their nature as service based activity in line with the Group's accounting policies. The reclassification did not have any impact on net revenues, net income or shareholders' equity.

Impact of Changes in Accounting Principles (unaudited)

Recently Adopted Accounting Pronouncements

The following are those accounting pronouncements which are relevant to the Group and which have been applied in the preparation of these condensed consolidated interim financial statements.

IAS 32

On January 1, 2014, the Group adopted the amendments to IAS 32, "Offsetting Financial Assets and Financial Liabilities" ("IAS 32 R"). IAS 32 R clarifies (a) the meaning of an entity's current legally enforceable right of set-off; and (b) when gross settlement systems may be considered equivalent to net settlement. IAS 32 R did not have a material impact on the Group's consolidated financial statements.

IFRIC 21

On January 1, 2014, the Group adopted IFRIC 21, "Levies", an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", which clarifies that an entity recognises a liability for a levy only when the activity that triggers payment, as identified by the relevant legislation, occurs. IFRIC 21 did not have a material impact on the Group's consolidated financial statements.

New Accounting Pronouncements

Improvements to IFRS 2010-2012 and 2011-2013 Cycles

In December 2013, the IASB issued amendments to multiple IFRS standards, which resulted from the IASB's annual improvement projects for the 2010-2012 and 2011-2013 cycles. They comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments will be effective for annual periods beginning on or after July 1, 2014. The amendments are not expected to have a material impact on the Group's consolidated financial statements. The amendments have yet to be endorsed by the EU.

IFRS 9 Classification and Measurement, Impairment and Hedge Accounting

In July 2014, the IASB issued IFRS 9, which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for how an entity should classify and measure financial assets, requires changes to the reporting of 'own credit' with respect to issued debt liabilities that are designated at fair value, replaces the current rules for impairment of financial assets and amends the requirements for hedge accounting.

Classification and Measurement of financial assets and liabilities

IFRS 9 requires that an entity's business model and a financial instrument's contractual cash flows will determine its classification and therefore its measurement in the financial statements. Upon assessment each financial asset will be classified as either fair value through profit or loss ('FVTPL'), amortised cost, or fair value through Other Comprehensive Income ('FVOCI'). As these requirements are different than the assessments under the existing IAS 39 rules, some differences to classification and measurement of financial assets are to be expected.

The classification and measurement of financial liabilities remain largely unchanged under IFRS 9 from current requirements. However, where issued debt liabilities are designated at fair value, the fair value movements attributable to an entity's own credit risk will be recognized in Other Comprehensive Income rather than in the Statement of Income under IFRS 9.

Impairment of financial assets

The impairment rules under IFRS 9 will apply to those financial assets that are measured at amortised cost and debt instruments measured at FVOCI. Impairment will move from a model whereby credit losses are recognized when a 'trigger' event occurs under IAS 39 to an expected loss model, where provisions are taken upon initial recognition of the financial asset based on expectations of potential credit losses at that time.

The allowance for credit losses provided for on initial recognition will be based on a 12-month expected credit loss basis. Subsequently, should the probability of default of the issuer increase significantly, the expected credit loss of the financial asset over its lifetime ('lifetime expected losses') will be recognized as an additional provision. As a result of the changes to impairment rules, IFRS 9 will result in an increase in subjectivity as provisions will be based on forward-looking, probability-weighted information that is continuously monitored and incorporated over the life of the financial asset. This is in contrast to impairment recognition that is based on credit events that have already occurred under IAS 39. IFRS 9 is expected to result in an increase in the overall level of impairment allowances, due to the likelihood that there will be a larger population of financial assets to which lifetime expected losses applies as compared to the population of financial assets for which credit events have already occurred under IAS 39.

Hedge accounting

IFRS 9 also incorporates new hedge accounting rules that intend to align hedge accounting with risk management practices. Generally, some restrictions under current rules have been removed and a greater variety of hedging instruments and hedged items become available for hedge accounting.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Group is currently assessing the impact of IFRS 9. The standard has yet to be endorsed by the EU.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers", which specifies how and when revenue is recognised, but does not impact income recognition related to financial instruments in scope of IFRS 9/IAS 39. IFRS 15 replaces several other IFRS standards and interpretations that currently govern revenue recognition under IFRS and provides a single, principles-based five-step model to be applied to all contracts with customers. The standard also requires entities to provide users of financial statements with more informative and relevant disclosures. IFRS 15 will be effective for annual periods beginning on or after January 1, 2017. The Group is currently assessing the impact of IFRS 15. The standard has yet to be endorsed by the EU.

Improvements to IFRS 2012-2014 Cycles

In September 2014, the IASB issued amendments to multiple IFRS standards, which resulted from the IASB's annual improvement project for the 2012-2014 cycle. This comprises amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual IFRS standards. The amendments will be effective for annual periods beginning on or after January 1, 2016, with earlier application permitted. The group is currently assessing the impact that the amendments will have on the Group's consolidated financial statements. The amendments have yet to be endorsed by the EU.

Segment Information (unaudited)

The following segment information has been prepared in accordance with the “management approach”, which requires presentation of the segments on the basis of the internal management reports of the entity which are regularly reviewed by the chief operating decision maker, which is the Deutsche Bank Management Board, in order to allocate resources to a segment and to assess its financial performance.

Starting first quarter 2014, net interest income as a component of net revenue, income (loss) before income taxes and related ratios is presented on a fully taxable-equivalent basis for U.S. tax-exempt securities for Corporate Banking & Securities. This enables management to measure performance of taxable and tax-exempt securities on a comparable basis. This change in presentation resulted in an increase in CB&S net interest income of € 19.5 million for third quarter 2014 (€ 41.6 million for first nine months 2014). This increase is offset in Group Consolidated figures through a reversal in C&A. Prior period comparatives have not been adjusted due to immateriality. The tax rate used in determining the fully taxable-equivalent net interest income in respect of the majority of the US tax-exempt securities is 35 %. US tax-exempt securities held by NCOU are not being presented on a fully taxable-equivalent basis due to differing approaches in the management of core and non-core activities.

Business Segments

The Group’s segment reporting follows the organizational structure as reflected in its internal management reporting systems, which are the basis for assessing the financial performance of the business segments and for allocating resources to the business segments. Generally, restatements due to minor changes in the organizational structure were implemented in the presentation of prior period comparables if they were considered in the Group’s management reporting systems.

Allocation of Average Active Equity

The total amount of average active equity allocated is determined based on the higher of the Group’s overall economic risk exposure or regulatory capital demand. Starting 2013, the Group refined its allocation of average active equity to the business segments to reflect the further increased regulatory requirements under CRR/CRD 4 and to align the allocation of capital with the communicated capital and return on equity targets. Under the new methodology, the internal demand for regulatory capital is derived based on a Common Equity Tier 1 ratio of 10 % at a Group level and assuming full implementation of CRR/CRD 4 rules. Therefore, the basis for allocation, i.e., risk-weighted assets and certain regulatory capital deduction items, is also on a CRR/CRD 4 fully-loaded basis. If the Group’s average active equity exceeds the higher of the overall economic risk exposure or the regulatory capital demand, this surplus is assigned to C&A.

Segmental Results of Operations

For the results of the business segments, including the reconciliation to the consolidated results of operations under IFRS, please see “Management Report: Operating and Financial Review: Results of Operations: Segment Results of Operations” of this Interim Report.

Information on the Consolidated Income Statement (unaudited)

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

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Net interest income	3,413	3,637	10,454	10,939
Trading income[1]	710	464	3,713	3,661
Net gains (losses) on financial assets/liabilities designated at fair value through profit or loss[2]	119	(156)	(13)	577
Total net gains (losses) on financial assets/liabilities at fair value through profit or loss	830	307[3]	3,700	4,238[3]
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**4,243**	3,945	**14,153**	15,177
Sales & Trading (equity)	596	484	1,743	1,692
Sales & Trading (debt and other products)	1,361	981	5,113	5,308
Total Sales & Trading	1,957	1,465	6,856	6,999
Loan products	213	149	514	410
Remaining products[4]	(180)	(422)	(140)	(197)
Corporate Banking & Securities	1,990	1,193	7,229	7,213
Private & Business Clients	1,494	1,468	4,565	4,485
Global Transaction Banking[5]	538	567	1,708	1,580
Deutsche Asset & Wealth Management	413	552	1,117	1,484
Non-Core Operations Unit	(243)	119	(417)	437
Consolidation & Adjustments	51	46	(49)	(21)
Total net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss	**4,243**	3,945[3]	**14,153**	15,177[3]

1 Trading income includes gains and losses from derivatives held for trading and from derivatives not qualifying for hedge accounting.
2 Includes gains of € 1 million and of € 11 million from securitization structures for the three months ended September 30, 2014 and September 30, 2013, respectively and losses of € 1 million and of € 90 million for the nine months ended September 30, 2014 and September 30, 2013, respectively. Fair value movements on related instruments of € 163 million and of € 8 million for the three months ended September 30, 2014 and September 30, 2013, respectively and € 208 million and of € 269 million for the nine months ended September 30, 2014 and September 30, 2013, respectively, are reported within trading income. Both are reported under Sales & Trading (debt and other products). The total of these gains and losses represents the Group’s share of the losses in these consolidated securitization structures.
3 Prior periods have been restated. For further information, please refer to the note “Basis of preparation” of this report.
4 Includes the net interest spread on loans as well as the fair value changes of credit default swaps and loans designated at fair value through profit or loss.
5 Includes net interest income and net gains (losses) on financial assets/liabilities at fair value through profit or loss on origination, advisory and other products.

Commissions and Fee Income

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Commissions and fees from fiduciary activities	977	965	2,746	2,663
Commissions, brokers’ fees, mark-ups on securities underwriting and other securities activities	937	959[1]	2,990	2,979[1]
Fees for other customer services	1,218	1,209	3,504	3,592
Total commissions and fee income	**3,132**	3,133	**9,240**	9,234

1 Prior periods have been restated. For further information please refer to the note ‘Basis of preparation’ of this report.

Pensions and Other Post-Employment Benefits

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Service cost	70	77	207	215
Net interest cost (income)	0	1	2	14
Total expenses defined benefit plans	**70**	78	**209**	229
Total expenses for defined contribution plans	**91**	89	**290**	285
Total expenses for post-employment benefits	**161**	167	**499**	514
Employer contributions to mandatory German social security pension plan	**56**	54	**172**	169

The Group expects to pay approximately € 250 million in regular contributions to its retirement benefit plans in 2014. It is not expected that any plan assets will be returned to the Group during the year ending December 31, 2014.

Discount rate to determine defined benefit obligation

in %	Sep 30, 2014	Dec 31, 2013
Germany	2.4	3.6
UK	4.1	4.5
U.S.	4.1	4.8

General and Administrative Expenses

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
IT costs	806	814	2,507	2,216
Occupancy, furniture and equipment expenses	490	512	1,495	1,504
Professional service fees[1]	525	463	1,434	1,242
Communication and data services[1]	183	182	535	528
Travel and representation expenses[1]	126	121	363	350
Banking and transaction charges[1]	159	148	485	584
Marketing expenses	78	75	211	221
Consolidated investments	216	206	624	612
Other expenses[1,2]	1,465	1,589	2,971	3,230
Total general and administrative expenses	**4,049**	4,109	**10,624**	10,488

1 Prior period comparatives have been restated in order to reflect changes in the Group's cost reporting.
2 Includes litigation-related expenses of € 894 million and € 1,163 million for the three months ended September 30, 2014 and September 30, 2013, respectively and litigation-related expenses of € 1,363 million and € 1,925 million for the nine months ended September 30, 2014 and September 30, 2013, respectively.

Restructuring

The Group aims to enhance its long-term competitiveness through major reductions in costs, duplication and complexity in the years ahead. The Group plans to spend approximately € 4,0 billion over a three year period starting 2012 with the aim of achieving full run rate annual cost savings of € 4.5 billion by 2015.

As of September 30, 2014 the Group's Management Board approved eight phases of restructuring which form part of the planned amount of approximately € 4 billion. The restructuring expense is comprised of termination benefits, additional expenses covering the acceleration of deferred compensation awards not yet amortized due to the discontinuation of employment and contract termination costs related to real estate.

Net restructuring expense by division

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Corporate Banking & Securities	(6)	(7)	(86)	(88)
Private & Business Clients	(1)	(3)	(7)	(5)
Global Transaction Banking	1	(4)	(8)	(18)
Deutsche Asset & Wealth Management	(6)	(16)	(20)	(159)
Non-Core Operations Unit	(1)	0	(4)	(17)
Infrastructure/ Regional Management	0	0	0	0
Consolidation & Adjustments	0	0	0	0
Total Net Restructuring Charges	**(13)**	(30)	**(125)**	(287)

Net restructuring expense by type

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Restructuring - Staff related	(11)	(24)	(116)	(261)
thereof:				
Termination Payments	(10)	(23)	(94)	(195)
Retention Acceleration	(1)	0	(20)	(62)
Social Security	0	0	(1)	(3)
Restructuring - Non Staff related[1]	(1)	(6)	(10)	(26)
Total net restructuring Charges	**(13)**	(30)	**(125)**	(287)

1 Contract costs, mainly related to real estate and technology.

Provisions for restructuring amounted to € 139 million and € 207 million as of September 30, 2014 and December 31, 2013, respectively. The majority of the current provisions for restructuring are expected to be utilized during 2014.

During the nine months ending September 30, 2014, 1,050 (393 in the first quarter, 446 in the second quarter and 211 in the third quarter) full-time equivalent (“FTE”) staff were reduced through restructuring. These reductions were identified within:

	Nine months ended
	Sep 30, 2014
Corporate Banking & Securities	170
Private & Business Clients	85
Global Transaction Banking	198
Deutsche Asset & Wealth Management	170
Non-Core Operations Unit	1
Infrastructure/Regional Management	426
Total full-time equivalent staff	1,050

Effective Tax Rate

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.

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.

Information on the Consolidated Balance Sheet (unaudited)

Financial Assets/Liabilities at Fair Value through Profit or Loss

in € m.	Sep 30, 2014	Dec 31, 2013
Financial assets classified as held for trading:		
Trading assets:		
Trading securities	175,045	187,554
Other trading assets[1]	21,315	22,516
Total trading assets	**196,360**	210,070
Positive market values from derivative financial instruments	**555,767**	504,590
Total financial assets classified as held for trading	**752,127**	714,660
Financial assets designated at fair value through profit or loss:		
Securities purchased under resale agreements	76,949	116,764
Securities borrowed	32,098	32,485
Loans	14,503	15,579
Other financial assets designated at fair value through profit or loss	19,364	19,768
Total financial assets designated at fair value through profit or loss	**142,914**	184,597
Total financial assets at fair value through profit or loss	**895,041**	899,257

1 Includes traded loans of € 18,906 million and € 17,787 million as of September 30, 2014 and December 31, 2013, respectively.

in € m.	Sep 30, 2014	Dec 31, 2013
Financial liabilities classified as held for trading:		
Trading liabilities:		
Trading securities	46,938	54,951
Other trading liabilities	1,164	853
Total trading liabilities	**48,102**	55,804
Negative market values from derivative financial instruments	**539,461**	483,428
Total financial liabilities classified as held for trading	**587,563**	539,232
Financial liabilities designated at fair value through profit or loss:		
Securities sold under repurchase agreements	36,698	73,642
Loan commitments	130	193
Long-term debt	9,655	9,342
Other financial liabilities designated at fair value through profit or loss	12,361	6,927
Total financial liabilities designated at fair value through profit or loss	**58,844**	90,104
Investment contract liabilities[1]	8,476	8,067
Total financial liabilities at fair value through profit or loss	**654,883**	637,404

1 These are investment contracts where the policy terms and conditions result in their redemption values equaling fair values.

Financial Assets Available for Sale

in € m.	Sep 30, 2014	Dec 31, 2013
Debt securities	55,019	44,242
Equity securities	1,032	1,076
Other equity interests	784	837
Loans	2,559	2,170
Total financial assets available for sale	**59,394**	48,326

Amendments to IAS 39 and IFRS 7, “Reclassification of Financial Assets”

Under the amendments to IAS 39 and IFRS 7, issued in October 2008, certain financial assets were reclassified in the second half of 2008 and the first quarter of 2009 from the financial assets at fair value through profit or loss and the available for sale classifications into the loans classification. No reclassifications have been made since the first quarter 2009.

The Group identified assets, eligible under the amendments, for which at the reclassification date it had a clear change of intent and ability to hold for the foreseeable future, rather than to exit or trade in the short term. The reclassifications were made at the fair value of the assets at the reclassification date.

Reclassified Financial Assets

in € bn. (unless stated otherwise)	Trading assets reclassified to loans	Financial assets available for sale reclassified to loans
Carrying value at reclassification date	26.6	11.4
Unrealized fair value losses in accumulated other comprehensive income	0.0	(1.1)
Effective interest rates at reclassification date:		
Upper range	13.1 %	9.9 %
Lower range	2.8 %	3.9 %
Expected recoverable cash flows at reclassification date	39.6	17.6

Carrying values and fair values by asset type of assets reclassified in 2008 and 2009

	Sep 30, 2014		Dec 31, 2013	
in € m.	Carrying value	Fair value	Carrying value	Fair value
Trading assets reclassified to loans:				
Securitization assets	1,984	2,095	1,985	1,872
Debt securities	1,048	1,122	1,062	1,068
Loans	1,458	1,190	2,367	2,064
Total trading assets reclassified to loans	**4,490**	**4,407**	5,415	5,004
Financial assets available for sale reclassified to loans:				
Securitization assets	1,726	1,765	1,972	1,955
Debt securities	1,308	1,439	1,220	1,284
Total financial assets available for sale reclassified to loans	**3,034**	**3,203**	3,192	3,239
Total financial assets reclassified to loans	**7,523**[1]	**7,610**	8,606	8,243

1 There is an associated effect on the carrying value from effective fair value hedge accounting for interest rate risk to the carrying value of the reclassified assets shown in the table above. This effect increases carrying value by € 85 million and € 34 million as at September 30, 2014 and December 31, 2013, respectively.

All reclassified assets are managed by NCOU and disposal decisions across this portfolio are made by NCOU in accordance with their remit to take de-risking decisions. For the nine months ending September 30, 2014, the Group sold reclassified assets with a carrying value of € 93 million, resulting in a net gain of € 5.7 million.

In addition to sales, the decrease in the carrying value of assets previously classified as trading includes redemptions and maturities of € 979 million. The reduction in the carrying value of assets previously classified as available for sale includes redemptions and maturities of € 417 million.

Unrealized fair value gains (losses) that would have been recognized in profit or loss and net gains (losses) that would have been recognized in other comprehensive income if the reclassifications had not been made

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Unrealized fair value gains (losses) on the reclassified trading assets, gross of provisions for credit losses	74	(3)	286	167
Impairment (losses) on the reclassified financial assets available for sale which were impaired	2	0	(6)	0
Net gains (losses) recognized in other comprehensive income representing additional unrealized fair value gains (losses) on the reclassified financial assets available for sale which were not impaired	(1)	0	141	78

Pre-tax contribution of all reclassified assets to the income statement

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Interest income[1]	22	57	98	250
Provision for credit losses	(23)	(175)	(60)	(310)
Other income[2]	0	(12)	5	(171)
Income (loss) before income taxes on reclassified trading assets	**(1)**	(130)	**42**	(231)
Interest income	25	28	62	76
Provision for credit losses	(4)	(24)	(9)	(24)
Other income[2]	0	0	0	(47)
Income (loss) before income taxes on reclassified financial assets available for sale	**20**	4	**53**	5

[1] Significant reduction in interest income driven by accelerated de-risking during 2013.
[2] Relates to gains and losses from the sale of reclassified assets.

Reclassified Financial Assets: Carrying values and fair values by asset class

All IAS 39 reclassified assets were transferred into NCOU upon creation of the new division in the fourth quarter of 2012. NCOU has been tasked to accelerate de-risking to reduce total capital demand and total adjusted assets. A number of factors are considered in determining whether and when to sell assets including the income statement, regulatory capital and leverage impacts. The movements in carrying value and fair value are illustrated in the following table:

Carrying values and fair values by asset class reclassification in 2008 and 2009

			Sep 30, 2014			Dec 31, 2013
in € m.	Carrying value (CV)	Fair value (FV)	Unrealized gains/(losses)	Carrying value (CV)	Fair value (FV)	Unrealized gains/(losses)
Securitization assets and debt securities reclassified:						
US municipal bonds	2,218	2,422	204	2,155	2,232	77
Student loans ABS	1,359	1,488	129	1,263	1,305	42
CDO/CLO	781	751	(31)	979	938	(41)
Covered bond	889	955	66	885	788	(97)
Commercial mortgages securities	188	188	1	281	260	(21)
Residential mortgages ABS	80	83	3	74	71	(3)
Other	550	532	(18)	602	585	(17)
Total securitization assets and debt securities reclassified	**6,066**	**6,420**	**354**	6,239	6,179	(60)
Loans reclassified:						
Commercial mortgages	561	551	(10)	1,463	1,428	(35)
Residential mortgages	836	596	(240)	844	598	(246)
Other	61	44	(17)	61	38	(22)
Total loans reclassified	**1,458**	**1,190**	**(267)**	2,367	2,064	(303)
Total financial assets reclassified to loans	**7,523**	**7,610**	**87**	8,606	8,243	(363)

Financial Instruments carried at Fair Value

Fair Value Hierarchy

The financial instruments carried at fair value have been categorized under the three levels of the IFRS fair value hierarchy as follows:

Level 1 – Instruments valued using quoted prices in active markets are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is representative of that being priced in the Group's inventory.

These include: high-liquidity treasuries and derivative, equity and cash products traded on high-liquidity exchanges.

Level 2 – Instruments valued with valuation techniques using observable market data are instruments where the fair value can be determined by reference to similar instruments trading in active markets, or where a technique is used to derive the valuation but where all inputs to that technique are observable.

These include: many OTC derivatives; many investment-grade listed credit bonds; some CDS; many collateralized debt obligations ("CDO"); and many less-liquid equities.

Level 3 – Instruments valued using valuation techniques using market data which is not directly observable are instruments where the fair value cannot be determined directly by reference to market-observable information, and some other pricing technique must be employed. Instruments classified in this category have an element which is unobservable and which has a significant impact on the fair value.

These include: more-complex OTC derivatives; distressed debt; highly-structured bonds; illiquid asset-backed securities ("ABS"); illiquid CDOs (cash and synthetic); monoline exposures; private equity placements; many commercial real estate ("CRE") loans; illiquid loans; and some municipal bonds.

Carrying value of the financial instruments held at fair value[1]

			Sep 30, 2014			Dec 31, 2013
in € m.	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)	Quoted prices in active market (Level 1)	Valuation technique observable parameters (Level 2)	Valuation technique unobservable parameters (Level 3)
Financial assets held at fair value:						
Trading assets	80,637	102,435	13,288	86,634	111,411	12,025
Trading securities	80,385	86,298	8,361	86,325	94,269	6,960
Other trading assets	251	16,137	4,927	309	17,143	5,065
Positive market values from derivative financial instruments	6,271	540,990	8,506	7,421	486,614	10,556
Financial assets designated at fair value through profit or loss	10,271	129,185	3,458	7,083	174,391	3,123
Financial assets available for sale	33,688	21,875	3,831	23,948	21,049	3,329
Other financial assets at fair value[2,3]	0	3,910[2]	0	60	7,347[2]	1
Total financial assets held at fair value	**130,867**	**798,395**	**29,083**	125,146	800,811	29,033
Financial liabilities held at fair value:						
Trading liabilities	21,016	27,074	12	36,449	19,331	24
Trading securities	21,002	25,924	12	36,438	18,490	24
Other trading liabilities	14	1,150	0	12	841	0
Negative market values from derivative financial instruments	7,011	526,557	5,893	7,815	467,293	8,321
Financial liabilities designated at fair value through profit or loss	1,216	55,197	2,431	197	88,466	1,442
Investment contract liabilities[4]	0	8,476	0	0	8,067	0
Other financial liabilities at fair value[2,3]	1	3,874[2]	(478)[5]	4	1,495[2]	(247)[5]
Total financial liabilities held at fair value	**29,244**	**621,178**	**7,858**	44,465	584,651	9,539

1 Amounts in this table are generally presented on a gross basis, in line with the Group's accounting policy regarding offsetting of financial instruments, as described in Note 1 "Significant Accounting Policies and Critical Accounting Estimates" of the Financial Report 2013.
2 Predominantly relates to derivatives qualifying for hedge accounting.
3 Includes assets and liabilities held for sale related to Tilney in 2014 and to BHF-BANK in 2013.
4 These are investment contracts where the policy terms and conditions result in their redemption value equaling fair value. See Note 41 "Insurance and Investment Contracts" of the Financial Report 2013 for more detail on these contracts.
5 Relates to derivatives which are embedded in contracts where the host contract is held at amortized cost but for which the embedded derivative is separated. The separated embedded derivatives may have a positive or a negative fair value but have been presented in this table to be consistent with the classification of the host contract. The separated embedded derivatives are held at fair value on a recurring basis and have been split between the fair value hierarchy classifications.

There were transfers between level 1 and level 2 of the fair value hierarchy in the third quarter of 2014 on trading securities (€ 5 billion of assets and € 4.1 billion of liabilities) based on liquidity testing procedures.

Valuation Techniques

The following is an explanation of the valuation techniques used in establishing the fair value of the different types of financial instruments that the Group trades.

Sovereign, Quasi-sovereign and Corporate Debt and Equity Securities: Where there are no recent transactions then fair value may be determined from the last market price adjusted for all changes in risks and information since that date. Where a close proxy instrument is quoted in an active market then fair value is determined by adjusting the proxy value for differences in the risk profile of the instruments. Where close proxies are not available then fair value is estimated using more complex modeling techniques. These techniques include discounted cash flow models using current market rates for credit, interest, liquidity and other risks. For equity securities modeling techniques may also include those based on earnings multiples.

Mortgage- and Other Asset-Backed Securities (MBS/ABS) include residential and commercial MBS and other ABS including CDOs. ABS have specific characteristics as they have different underlying assets and the issuing entities have different capital structures. The complexity increases further where the underlying assets are themselves ABS, as is the case with many of the CDO instruments.

Where no reliable external pricing is available, ABS are valued, where applicable, using either relative value analysis which is performed based on similar transactions observable in the market, or industry-standard valuation models incorporating available observable inputs. The industry standard external models calculate principal and interest payments for a given deal based on assumptions that can be independently price tested. The inputs include prepayment speeds, loss assumptions (timing and severity) and a discount rate (spread, yield or discount margin). These inputs/assumptions are derived from actual transactions, external market research and market indices where appropriate.

Loans: For certain loans fair value may be determined from the market price on a recently occurring transaction adjusted for all changes in risks and information since that transaction date. Where there are no recent market transactions then broker quotes, consensus pricing, proxy instruments or discounted cash flow models are used to determine fair value. Discounted cash flow models incorporate parameter inputs for credit risk, interest rate risk, foreign exchange risk, loss given default estimates and amounts utilized given default, as appropriate. Credit risk, loss given default and utilization given default parameters are determined using information from the loan or CDS markets, where available and appropriate.

Leveraged loans can have transaction-specific characteristics which can limit the relevance of market-observed transactions. Where similar transactions exist for which observable quotes are available from external pricing services then this information is used with appropriate adjustments to reflect the transaction differences. When no similar transactions exist, a discounted cash flow valuation technique is used with credit spreads derived from the appropriate leveraged loan index, incorporating the industry classification, subordination of the loan, and any other relevant information on the loan and loan counterparty.

Over-The-Counter Derivative Financial Instruments: Market standard transactions in liquid trading markets, such as interest rate swaps, foreign exchange forward and option contracts in G7 currencies, and equity swap and option contracts on listed securities or indices are valued using market standard models and quoted parameter inputs. Parameter inputs are obtained from pricing services, consensus pricing services and recently occurring transactions in active markets wherever possible.

More complex instruments are modeled using more sophisticated modeling techniques specific for the instrument and are calibrated to available market prices. Where the model output value does not calibrate to a relevant market reference then valuation adjustments are made to the model output value to adjust for any difference. In less active markets, data is obtained from less frequent market transactions, broker quotes and through extrapolation and interpolation techniques. Where observable prices or inputs are not available, management judgment is required to determine fair values by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions.

Financial Liabilities Designated at Fair Value through Profit or Loss under the Fair Value Option: The fair value of financial liabilities designated at fair value through profit or loss under the fair value option incorporates all market risk factors including a measure of the Group’s credit risk relevant for that financial liability. The financial liabilities include structured note issuances, structured deposits, and other structured securities issued by consolidated vehicles, which may not be quoted in an active market. The fair value of these financial liabilities is determined by discounting the contractual cash flows using the relevant credit-adjusted yield curve. The market risk parameters are valued consistently to similar instruments held as assets, for example, any derivatives embedded within the structured notes are valued using the same methodology discussed in the “Over-The-Counter Derivative Financial Instruments” section above.

Where the financial liabilities designated at fair value through profit or loss under the fair value option are collateralized, such as securities loaned and securities sold under repurchase agreements, the credit enhancement is factored into the fair valuation of the liability.

Investment Contract Liabilities: Assets which are linked to the investment contract liabilities are owned by the Group. The investment contract obliges the Group to use these assets to settle these liabilities. Therefore, the fair value of investment contract liabilities is determined by the fair value of the underlying assets (i.e., amount payable on surrender of the policies).

Analysis of Financial Instruments with Fair Value Derived from Valuation Techniques Containing Significant Unobservable Parameters (Level 3)

Some of the instruments in level 3 of the fair value hierarchy have identical or similar offsetting exposures to the unobservable input. However, according to IFRS they are required to be presented as gross assets and liabilities.

Trading Securities: Certain illiquid emerging market corporate bonds and illiquid highly structured corporate bonds are included in this level of the hierarchy. In addition, some of the holdings of notes issued by securitization entities, commercial and residential MBS, collateralized debt obligation securities and other ABS are reported here. The increase in assets during the period is mainly due to purchases and transfers from level 2 to level 3 partially off-set by sales and transfers out of level 3.

Positive and Negative Market Values from Derivative Instruments categorized in this level of the fair value hierarchy are valued based on one or more significant unobservable parameters. The unobservable parameters may include certain correlations, certain long term volatilities, certain prepayment rates, credit spreads and other transaction-specific parameters.

Level 3 derivatives include customized CDO derivatives in which the underlying reference pool of corporate assets is not closely comparable to regularly market-traded indices; certain tranched index credit derivatives; certain options where the volatility is unobservable; certain basket options in which the correlations between the referenced underlying assets are unobservable; longer-term interest rate option derivatives; multi-currency foreign exchange derivatives; and certain credit default swaps for which the credit spread is not observable. The decrease in derivative instruments is mainly due to transfers from level 3 to level 2 due to changes in the observability of input parameters used to value these instruments.

Other Trading Instruments classified in level 3 of the fair value hierarchy mainly consist of traded loans valued using valuation models based on one or more significant unobservable parameters. Level 3 loans comprise illiquid leveraged loans and illiquid residential and commercial mortgage loans.

Financial Assets/Liabilities designated at Fair Value through Profit or Loss: Certain corporate loans and structured liabilities which were designated at fair value through profit or loss under the fair value option are categorized in this level of the fair value hierarchy. The corporate loans are valued using valuation techniques which incorporate observable credit spreads, recovery rates and unobservable utilization parameters. Revolving loan facilities are reported in the level 3 of the hierarchy because the utilization in the event of the default parameter is significant and unobservable.

In addition, certain hybrid debt issuances designated at fair value through profit or loss containing embedded derivatives are valued based on significant unobservable parameters. These unobservable parameters include single stock volatility correlations. The increase in liabilities is primarily due to transfers from level 2 into level 3 due to changes in the observability of input parameters used to value these instruments.

Financial Assets Available for Sale include unlisted equity instruments where there is no close proxy and the market is very illiquid. The increase in the period is mainly due to purchases.

Reconciliation of financial instruments classified in Level 3

										Sep 30, 2014
in € m.	Balance, beginning of year	Changes in the group of consolidated companies	Total gains/ losses[1]	Purchases	Sales	Issuances[2]	Settlements[3]	Transfers into Level 3[4]	Transfers out of Level 3[4]	Balance, end of period
Financial assets held at fair value:										
Trading securities	6,960	0	478	2,569	(1,522)	0	(296)	1,728	(1,556)	8,361
Positive market values from derivative financial instruments	10,556	0	(94)	0	0	0	(976)	1,088	(2,068)	8,506
Other trading assets	5,064	0	59	1,800	(1,672)	375	(376)	826	(1,149)	4,927
Financial assets designated at fair value through profit or loss	3,123	0	227	240	(5)	1,408	(1,543)	139	(130)	3,458
Financial assets available for sale	3,329	0	294[5]	960	(256)	0	(662)	367	(200)	3,831
Other financial assets at fair value[6]	1	(1)	0	0	0	0	0	0	0	0
Total financial assets held at fair value	29,032	(1)	963[7,8]	5,568	(3,456)	1,783	(3,853)	4,148	(5,103)	29,083
Financial liabilities held at fair value:										
Trading securities	24	0	2	0	0	0	(10)	2	(6)	12
Negative market values from derivative financial instruments	8,321	0	(7)	0	0	0	(1,077)	1,067	(2,410)	5,893
Other trading liabilities	0	0	0	0	0	0	0	0	0	0
Financial liabilities designated at fair value through profit or loss	1,442	0	(77)	0	0	31	(16)	1,201	(149)	2,431
Other financial liabilities at fair value	(247)	0	(39)	0	0	0	(123)	24	(92)	(478)
Total financial liabilities held at fair value	9,539	0	(121)[7,8]	0	0	31	(1,226)	2,294	(2,658)	7,858

1 Total gains and losses predominantly relate to net gains (losses) on financial assets/liabilities at fair value through profit or loss reported in the consolidated statement of income. The balance also includes net gains (losses) on financial assets available for sale reported in the consolidated statement of income and unrealized net gains (losses) on financial assets available for sale and exchange rate changes reported in other comprehensive income, net of tax. Further, certain instruments are hedged with instruments in level 1 or level 2 but the table above does not include the gains and losses on these hedging instruments. Additionally, both observable and unobservable parameters may be used to determine the fair value of an instrument classified within level 3 of the fair value hierarchy; the gains and losses presented below are attributable to movements in both the observable and unobservable parameters.
2 Issuances relate to the cash amount received on the issuance of a liability and the cash amount paid on the primary issuance of a loan to a borrower.
3 Settlements represent cash flows to settle the asset or liability. For debt and loan instruments this includes principal on maturity, principal amortizations and principal repayments. For derivatives all cash flows are presented in settlements.
4 Transfers in and transfers out of level 3 are related to changes in observability of input parameters. During the period they are recorded at their fair value at the beginning of year. For instruments transferred into level 3 the table shows the gains and losses and cash flows on the instruments as if they had been transferred at the beginning of the year. Similarly for instruments transferred out of level 3 the table does not show any gains or losses or cash flows on the instruments during the period since the table is presented as if they have been transferred out at the beginning of the year.
5 Total gains and losses on available for sale include a gain of € 52 million recognized in other comprehensive income, net of tax, and a gain of € 23 million recognized in the income statement presented in net gains (losses) on financial assets available for sale.
6 Represents assets held for sale related to BHF-BANK.
7 This amount includes the effect of exchange rate changes. For total financial assets held at fair value this effect is a gain of € 489 million and for total financial liabilities held at fair value this is a gain of € 106 million. The effect of exchange rate changes is reported in other comprehensive income, net of tax.
8 For assets, positive balances represent gains, negative balances represent losses. For liabilities, positive balances represent losses, negative balances represent gains.

										Sep 30, 2013
in € m.	Balance, beginning of year	Changes in the group of consolidated companies	Total gains/ losses[1]	Purchases	Sales	Issuances[2]	Settlements[3]	Transfers into Level 3[4]	Transfers out of Level 3[4]	Balance, end of period
Financial assets held at fair value:										
Trading securities	10,306	0	80	1,231	(2,562)	0	(799)	1,828	(2,419)	7,665
Positive market values from derivative financial instruments	15,210	0	(2,139)	0	0	0	(1,170)	2,273	(2,083)	12,091
Other trading assets	4,609	0	(212)	655	(1,184)	1,235	(330)	561	(408)	4,927
Financial assets designated at fair value through profit or loss	3,956	0	167	50	(13)	897	(1,772)	180	(258)	3,208
Financial assets available for sale	3,940	(80)	(50)[5]	648	(839)	0	(532)	870	(490)	3,467
Other financial assets at fair value	0	0	0	0	0	0	0	0	0	0
Total financial assets held at fair value	38,021	(80)	(2,154)[6,7]	2,584	(4,597)	2,132	(4,602)	5,712	(5,657)	31,358
Financial liabilities held at fair value:										
Trading securities	318	0	8	0	0	0	(161)	4	(146)	24
Negative market values from derivative financial instruments	9,286	0	(55)	0	0	0	(944)	1,765	(1,537)	8,514
Other trading liabilities	0	0	0	0	0	0	0	11	0	11
Financial liabilities designated at fair value through profit or loss	1,417	0	(172)	0	0	278	(205)	531	(197)	1,653
Other financial liabilities at fair value	(176)	0	59	0	0	0	24	(295)	0	(388)
Total financial liabilities held at fair value	10,845	0	(160)[6,7]	0	0	278	(1,286)	2,017	(1,880)	9,813

1 Total gains and losses predominantly relate to net gains (losses) on financial assets/liabilities at fair value through profit or loss reported in the consolidated statement of income. The balance also includes net gains (losses) on financial assets available for sale reported in the consolidated statement of income and unrealized net gains (losses) on financial assets available for sale and exchange rate changes reported in other comprehensive income, net of tax. Further, certain instruments are hedged with instruments in level 1 or level 2 but the table above does not include the gains and losses on these hedging instruments. Additionally, both observable and unobservable parameters may be used to determine the fair value of an instrument classified within level 3 of the fair value hierarchy; the gains and losses presented above are attributable to movements in both the observable and unobservable parameters.
2 Issuances relate to the cash amount received on the issuance of a liability and the cash amount paid on the primary issuance of a loan to a borrower.
3 Settlements represent cash flows to settle the asset or liability. For debt and loan instruments this includes principal on maturity, principal amortizations and principal repayments. For derivatives all cash flows are presented in settlements.
4 Transfers in and transfers out of level 3 during the period are recorded at their fair value at the beginning of year in the table above. For instruments transferred into level 3 the table shows the gains and losses and cash flows on the instruments as if they had been transferred at the beginning of the year. Similarly for instruments transferred out of level 3 the table does not show any gains or losses or cash flows on the instruments during the period since the table is presented as if they have been transferred out at the beginning of the year.
5 Total gains and losses on financial assets available for sale include a loss of € 3 million recognized in other comprehensive income, net of tax, and a gain of € 21 million recognized in the income statement presented in net gains (losses) on financial assets available for sale.
6 This amount includes the effect of exchange rate changes. For total financial assets held at fair value this effect is a negative € 335 million and for total financial liabilities held at fair value this is a positive € 39 million. This predominantly relates to derivatives. The effect of exchange rate changes is reported in other comprehensive income, net of tax.
7 For assets, positive balances represent gains, negative balances represent losses. For liabilities, positive balances represent losses, negative balances represent gains.

Sensitivity Analysis of Unobservable Parameters

Where the value of financial instruments is dependent on unobservable parameter inputs, the precise level for these parameters at the balance sheet date might be drawn from a range of reasonably possible alternatives. In preparing the financial statements, appropriate levels for these unobservable input parameters are chosen so that they are consistent with prevailing market evidence and in line with the Group's approach to valuation control detailed above. Were the Group to have marked the financial instruments concerned using parameter values drawn from the extremes of the ranges of reasonably possible alternatives then as of September 30, 2014 it could have increased fair value by as much as € 3.2 billion or decreased fair value by as much as € 2.9 billion. As of December 31, 2013 it could have increased fair value by as much as € 3.0 billion or decreased fair value by as much as € 2.6 billion. In estimating these impacts, the Group either re-valued certain financial instruments using reasonably possible alternative parameter values, or used an approach based on its valuation adjustment methodology for bid/offer spread valuation adjustments. Bid/offer spread valuation adjustments reflect the amount that must be paid in order to close out a holding in an instrument or component risk and as such they reflect factors such as market illiquidity and uncertainty.

This disclosure is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable input parameters. However, it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. Hence, the estimates disclosed above are likely to be greater than the true uncertainty in fair value at the balance sheet date. Furthermore, the disclosure is not predictive or indicative of future movements in fair value.

For many of the financial instruments considered here, in particular derivatives, unobservable input parameters represent only a subset of the parameters required to price the financial instrument, the remainder being observable. Hence for these instruments the overall impact of moving the unobservable input parameters to the extremes of their ranges might be relatively small compared with the total fair value of the financial instrument. For other instruments, fair value is determined based on the price of the entire instrument, for example, by adjusting the fair value of a reasonable proxy instrument. In addition, all financial instruments are already carried at fair values which are inclusive of valuation adjustments for the cost to close out that instrument and hence already factor in uncertainty as it reflects itself in market pricing. Any negative impact of uncertainty calculated within this disclosure, then, will be over and above that already included in the fair value contained in the financial statements.

Breakdown of the sensitivity analysis by type of instrument[1]

		Sep 30, 2014		Dec 31, 2013
in € m.	Positive fair value movement from using reasonable possible alternatives	Negative fair value movement from using reasonable possible alternatives	Positive fair value movement from using reasonable possible alternatives	Negative fair value movement from using reasonable possible alternatives
Securities:				
Debt securities	765	686	643	542
Commercial mortgage-backed securities	63	54	39	32
Mortgage and other asset-backed securities	225	221	233	229
Sovereign and quasi sovereign debt obligations	62	47	6	6
Corporate debt securities and other debt obligations	414	364	365	275
Equity securities	46	124	32	97
Derivatives:				
Credit	445	488	524	509
Equity	174	130	281	171
Interest related	692	335	405	255
Foreign exchange	5	4	24	6
Other	113	94	83	61
Loans:				
Loans	892	819	701	619
Loan commitments	5	5	17	17
Other	112	176	255	277
Total	**3,250**	**2,861**	2,966	2,554

[1] Where the exposure to an unobservable parameter is offset across different instruments then only the net impact is disclosed in the table.

Quantitative Information about the Sensitivity of Significant Unobservable Inputs

The behavior of the unobservable parameters on Level 3 fair value measurement is not necessarily independent, and dynamic relationships often exist between both other unobservable parameters, and observable parameters. Such relationships, where material to the fair value of a given instrument, are explicitly captured via correlation parameters, or are otherwise controlled via pricing models or valuation techniques. Frequently, where a valuation technique utilises more than one input, the choice of a certain input will bound the range of possible values for other inputs. In addition, broader market factors (such as interest rates, equity, credit or commodity indices or foreign exchange rates) can also have effects.

The range of values shown below represents the highest and lowest inputs used to value the significant exposures within Level 3. The diversity of financial instruments that make up the disclosure is significant and therefore the ranges of certain parameters can be large. For example, the range of credit spreads on mortgage backed securities represents performing, more liquid positions with lower spreads than the less liquid, non-performing positions which will have higher credit spreads. As Level 3 contains the less liquid fair value instruments, the wide ranges of parameters seen is to be expected, as there is a high degree of pricing differentiation within each exposure type to capture the relevant market dynamics. There follows a brief description of each of the principle parameter types, along with a commentary on significant interrelationships between them.

Credit Parameters are used to assess the credit worthiness of an exposure, by enabling the probability of default and resulting losses of a default to be represented. The credit spread is the primary reflection of credit worthiness, and represents the premium or yield return above the benchmark reference instrument (typically LIBOR, or relevant Treasury Instrument, depending upon the asset being assessed), that a bond holder would require in order to allow for the credit quality difference between that entity and the reference benchmark. Higher credit spreads will indicate lower credit quality, and lead to a lower value for a given bond, or other loan-asset that is to be repaid to the Bank by the borrower. Recovery Rates represent an estimate of the amount a lender would receive in the case of a default of a loan, or a bond holder would receive in the case of default of the bond. Higher recovery rates will give a higher valuation for a given bond position, if other parameters are held constant. Constant Default Rate (CDR) and Constant Prepayment Rate (CPR) allow more complex loan and debt assets to be assessed, as these parameters estimate the ongoing defaults arising on scheduled repayments and coupons, or whether the borrower is making additional (usually voluntary) prepayments. These parameters are particularly relevant when forming a fair value opinion for mortgage or other types of lending, where repayments are delivered by the borrower through time, or where the borrower may pre-pay the loan (seen for example in some residential mortgages). Higher CDR will lead to lower valuation of a given loan or mortgage as the lender will ultimately receive less cash.

Interest rates, credit spreads, inflation rates, foreign exchange rates and equity prices are referenced in some option instruments, or other complex derivatives, where the payoff a holder of the derivative will receive is dependent upon the behavior of these underlying references through time. Volatility parameters describe key attributes of option behavior by enabling the variability of returns of the underlying instrument to be assessed. This volatility is a measure of probability, with higher volatilities denoting higher probabilities of a particular outcome occurring. The underlying references (interest rates, credit spreads etc.) have an effect on the valuation of options, by describing the size of the return that can be expected from the option. Therefore the value of a given option is dependent upon the value of the underlying instrument, and the volatility of that instrument, representing the size of the payoff, and the probability of that payoff occurring. Where volatilities are high, the option holder will see a higher option value as there is greater probability of positive returns. A higher option value will also occur where the payoff described by the option is significant.

Correlations are used to describe influential relationships between underlying references where a derivative or other instrument has more than one underlying reference. Behind some of these relationships, for example commodity correlation and interest rate-foreign exchange correlations, typically lie macroeconomic factors such as the impact of global demand on groups of commodities, or the pricing parity effect of interest rates on foreign exchange rates. More specific relationships can exist between credit references or equity stocks in the case of credit derivatives and equity basket derivatives, for example. Credit correlations are used to estimate the relationship between the credit performance of a range of credit names, and stock correlations are used to estimate the relationship between the returns of a range of equities. A derivative with a correlation exposure will be either long- or short-correlation. A high correlation suggests a strong relationship between the underlying references is in force, and this will lead to an increase in value of a long-correlation derivative. Negative correlations suggest that the relationship between underlying references is opposing, i.e., an increase in price of one underlying reference will lead to a reduction in the price of the other.

An EBITDA ("earnings before interest, tax, depreciation and amortization") multiple approach can be used in the valuation of less liquid securities. Under this approach the enterprise value ("EV") of an entity can be estimated via identifying the ratio of the EV to EBITDA of a comparable observable entity and applying this ratio to the EBITDA of the entity for which a valuation is being estimated. Under this approach a liquidity adjustment is often applied due to the difference in liquidity between the generally listed comparable used and the company under valuation. A higher EV/EBITDA multiple will result in a higher fair value.

Financial instruments classified in Level 3 and quantitative information about unobservable inputs

						Sep 30, 2014
	Fair value					
in € m. (unless stated otherwise)	Assets	Liabilities	Valuation technique(s)[1]	Significant unobservable input(s) (Level 3)		Range
Financial instruments held at fair value – held for trading, designated at fair value and available-for-sale:						
Mortgage- and other asset-backed securities						
Commercial mortgage-backed securities	420	0	Price based	Price	0 %	112 %
			Discounted cash flow	Credit spread (bps)	229	2,300
				Constant default rate		
Mortgage- and other asset-backed securities	2,290	0	Price based	Price	0 %	104 %
			Discounted cash flow	Credit spread (bps)	37	2,000
				Recovery rate	0 %	95 %
				Constant default rate	0 %	22 %
				Constant prepayment rate	0 %	26 %
Total mortgage- and other asset-backed securities	2,711	0				
Debt securities and other debt obligations	5,615	1,267	Price based	Price	0 %	247 %
Held for trading	5,129	9	Discounted cash flow	Credit spread (bps)	38	5,000
Sovereign and quasi sovereign obligations	756					
Corporate debt securities and other debt obligations	4,373					
Available-for-sale	486					
Designated at fair value		1,258				
Equity securities	1,398	3	Market approach	Price per net asset value	63 %	100 %
Held for trading	522	3		Enterprise value/EBITDA (multiple)	1	14
Designated at fair value	31	0				
Available-for-sale	845		Discounted cash flow	Weighted average cost capital	6 %	13 %
Loans	10,265	0	Price based	Price	0 %	137 %
Held for trading	4,854	0	Discounted cash flow	Credit spread (bps)	59	3,540
Designated at fair value	3,048			Constant default rate	5 %	20 %
Available-for-sale	2,362			Recovery rate	15 %	60 %
Loan commitments	0	107	Discounted cash flow	Credit spread (bps)	1	661
				Recovery rate	35 %	100 %
			Loan pricing model	Utilization	0 %	100 %
Other financial instruments	590[2]	1,066[3]	Discounted cash flow	IRR	2 %	40 %
Total financial instruments held at fair value	20,577	2,443				

[1] Valuation technique(s) and subsequently the significant unobservable input(s) relate to the respective total position.
[2] Other financial assets include € 73 million of other trading assets, € 379 million of other financial assets designated at fair value and € 137 million other financial assets available for sale.
[3] Other financial liabilities include € 928 million of securities sold under repurchase agreements designated at fair value and € 137 million of other financial liabilities designated at fair value.

in € m. (unless stated otherwise)	Fair value Assets	Fair value Liabilities	Valuation technique(s)[1]	Significant unobservable input(s) (Level 3)	Range	Dec 31, 2013
Financial instruments held at fair value – held for trading, designated at fair value and available-for-sale:						
Mortgage- and other asset-backed securities						
Commercial mortgage-backed securities	361	0	Price based	Price	0 %	103 %
			Discounted cash flow	Credit spread (bps)	100	2,470
				Constant default rate	1 %	3 %
Mortgage- and other asset-backed securities	2,274	0	Price based	Price	0 %	134 %
			Discounted cash flow	Credit spread (bps)	70	3,180
				Recovery rate	0 %	70 %
				Constant default rate	0 %	25 %
				Constant prepayment rate	0 %	30 %
Total mortgage- and other asset-backed securities	2,635	0				
Debt securities and other debt obligations	4,016	1,205	Price based	Price	0 %	156 %
Held for trading	3,898	16	Discounted cash flow	Credit spread (bps)	438	5,000
Sovereign and quasi sovereign obligations	597					
Corporate debt securities and other debt obligations	3,300					
Available-for-sale	118					
Designated at fair value		1,189				
Equity securities	1,074	8	Market approach	Price per net asset value	62 %	100 %
Held for trading	428	8		Enterprise value/EBITDA (multiple)	1	14
Designated at fair value	0	0				
Available-for-sale	646		Discounted cash flow	Weighted average cost capital	7 %	12 %
Loans	8,878	0	Price based	Price	0 %	122 %
Held for trading	4,280	0	Discounted cash flow	Credit spread (bps)	59	3,500
Designated at fair value	2,621			Constant default rate	5 %	22 %
Available-for-sale	1,976			Recovery rate	15 %	60 %
Loan commitments	0	186	Discounted cash flow	Credit spread (bps)	5	1,000
				Recovery rate	35 %	80 %
			Loan pricing model	Utilization	0 %	100 %
Other financial instruments	1,875[2]	67[3]	Discounted cash flow	IRR	2 %	46 %
Total financial instruments held at fair value	18,477	1,466				

[1] Valuation technique(s) and subsequently the significant unobservable input(s) relate to the respective total position.
[2] Other financial assets include € 784 million of other trading assets, € 502 million of other financial assets designated at fair value, € 588 million other financial assets available for sale and € 1 million of assets held for sale related to BHF-BANK.
[3] Other financial liabilities include € 67 million of other financial liabilities designated at fair value.

in € m. (unless stated otherwise)	Fair value Assets	Fair value Liabilities	Valuation technique(s)	Significant unobservable input(s) (Level 3)	Sep 30, 2014 Range	
Financial instruments held at fair value:						
Market values from derivative financial instruments:						
Interest rate derivatives	2,420	1,560	Discounted cash flow	Swap rate (bps)	1	1,334
				Inflation swap rate	0 %	8 %
			Option pricing model	Inflation volatility	0 %	8 %
				Interest rate volatility	10 %	88 %
				IR - IR correlation	(8) %	100 %
				Hybrid correlation	(70) %	95 %
Credit derivatives	3,518	1,925	Discounted cash flow	Credit spread (bps)	1	3,500
				Recovery rate	0 %	100 %
			Correlation pricing model	Credit correlation	13 %	93 %
Equity derivatives	965	1,244	Option pricing model	Stock volatility	7 %	95 %
				Index volatility	7 %	96 %
				Index - index correlation	33 %	98 %
				Stock - stock correlation	9 %	95 %
FX derivatives	293	425	Option pricing model	Volatility	1 %	25 %
Other derivatives	1,309	261[1]	Discounted cash flow	Credit spread (bps)	29	1,500
			Option pricing model	Index volatility	2 %	24 %
				Commodity correlation	(30) %	100 %
				Commodity forward (€/Ton)	62	74
Total market values from derivative financial instruments	8,506	5,415				

[1] Includes derivatives which are embedded in contracts where the host contract is held at amortized cost but for which the embedded derivative is separated.

in € m. (unless stated otherwise)	Fair value Assets	Fair value Liabilities	Valuation technique(s)	Significant unobservable input(s) (Level 3)	Dec 31, 2013 Range	
Financial instruments held at fair value:						
Market values from derivative financial instruments:						
Interest rate derivatives	2,551	2,156	Discounted cash flow	Swap rate (bps)	2	1,336
				Inflation swap rate	0 %	8 %
			Option pricing model	Inflation volatility	0 %	3 %
				Interest rate volatility	10 %	95 %
				IR - IR correlation	(2) %	91 %
				Hybrid correlation	(70) %	95 %
Credit derivatives	4,377	2,334	Discounted cash flow	Credit spread (bps)	2	4,093
				Recovery rate	0 %	75 %
			Correlation pricing model	Credit correlation	13 %	88 %
Equity derivatives	1,419	1,987	Option pricing model	Stock volatility	10 %	100 %
				Index volatility	11 %	98 %
				Index - index correlation	62 %	98 %
				Stock - stock correlation	10 %	97 %
FX derivatives	529	455	Option pricing model	Volatility	0 %	30 %
Other derivatives	1,680	1,142[1]	Discounted cash flow	Credit spread (bps)	320	1,500
			Option pricing model	Index volatility	4 %	23 %
				Commodity correlation	(30) %	100 %
				Commodity forward (€/Ton)	97	106
Total market values from derivative financial instruments	10,556	8,074				

[1] Includes derivatives which are embedded in contracts where the host contract is held at amortized cost but for which the embedded derivative is separated.

Unrealized Gains or Losses on Level 3 Instruments held or in Issue at the Reporting Date

The unrealized gains or losses are not due solely to unobservable parameters. Many of the parameter inputs to the valuation of instruments in this level of the hierarchy are observable and the gain or loss is partly due to movements in these observable parameters over the period. Many of the positions in this level of the hierarchy are economically hedged by instruments which are categorized in other levels of the fair value hierarchy. The offsetting gains and losses that have been recorded on all such hedges are not included in the table below, which only shows the gains and losses related to the level 3 classified instruments themselves held at the reporting date in accordance with IFRS 13. The unrealized gains and losses on level 3 instruments are included in both net interest income and net gains on financial assets/liabilities at fair value through profit or loss in the consolidated income statement.

	Three months ended	
in € m.	Sep 30, 2014	Sep 30, 2013
Financial assets held at fair value:		
Trading securities	448	79
Positive market values from derivative financial instruments	121	(1,387)
Other trading assets	(11)	34
Financial assets designated at fair value through profit or loss	142	208
Financial assets available for sale	73	(24)
Other financial assets at fair value	0	0
Total financial assets held at fair value	772	(1,089)
Financial liabilities held at fair value:		
Trading securities	0	3
Negative market values from derivative financial instruments	102	(457)
Other trading liabilities	0	0
Financial liabilities designated at fair value through profit or loss	(32)	(27)
Other financial liabilities at fair value	17	(62)
Total financial liabilities held at fair value	88	(543)
Total	860	(1,632)

Recognition of Trade Date Profit

If there are significant unobservable inputs used in a valuation technique, the financial instrument is recognized at the transaction price and any trade date profit is deferred. The table below presents the year-to-date movement of the trade date profits deferred due to significant unobservable parameters for financial instruments classified at fair value through profit or loss. The balance is predominantly related to derivative instruments.

in € m.	Sep 30, 2014	Sep 30, 2013
Balance, beginning of year	796	699
New trades during the period	601	340
Amortization	(204)	(231)
Matured trades	(106)	(93)
Subsequent move to observability	(52)	(40)
Exchange rate changes	8	(17)
Balance, end of period	1,043	658

Fair Value of Financial Instruments not carried at Fair Value

This section should be read in conjunction with Note 15 “Fair Value of Financial Instruments not carried at Fair Value” of the Group’s Financial Report 2013.

The valuation techniques used to establish fair value for the Group’s financial instruments which are not carried at fair value in the balance sheet are consistent with those outlined in Note 14 “Financial Instruments carried at Fair Value” of the Group’s Financial Report 2013. As described in section “Amendments to IAS 39 and IFRS 7, ‘Reclassification of Financial Assets’”, the Group reclassified certain eligible assets from the trading and available for sale classifications to loans. The Group continues to apply the relevant valuation techniques set out in Note 14 “Financial Instruments carried at Fair Value” of the Group’s Financial Report 2013 to the reclassified assets.

Other financial instruments not carried at fair value are not managed on a fair value basis, for example, retail loans and deposits and credit facilities extended to corporate clients. For these instruments fair values are calculated for disclosure purposes only and do not impact the balance sheet or income statement. Additionally, since the instruments generally do not trade there is significant management judgment required to determine these fair values.

Estimated fair value of financial instruments not carried at fair value on the balance sheet[1]

	Sep 30, 2014		Dec 31, 2013	
in € m.	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and due from banks	20,866	20,866	17,155	17,155
Interest-earning deposits with banks	79,201	79,203	77,984	77,985
Central bank funds sold and securities purchased under resale agreements	25,910	25,910	27,363	27,363
Securities borrowed	28,092	28,092	20,870	20,870
Loans	395,842	400,026	376,582	378,085
Other financial assets	157,011	156,994	92,507	92,532
Financial liabilities:				
Deposits	543,153	542,846	527,750	527,609
Central bank funds purchased and securities sold under repurchase agreements	9,924	9,925	13,381	13,385
Securities loaned	2,685	2,685	2,304	2,304
Other short-term borrowings	50,471	50,469	59,767	59,763
Other financial liabilities	189,505	189,505	142,649	142,666
Long-term debt	146,166	147,422	133,082	134,359
Trust preferred securities	10,559	11,976	11,926	12,915

1 Amounts generally presented on a gross basis, in line with the Group’s accounting policy regarding offsetting of financial instruments as described in Note 1 “Significant Accounting Policies and Critical Accounting Estimates” of the Group’s Financial Report 2013.

Offsetting Financial Assets and Financial Liabilities

The Group is eligible to present certain financial assets and financial liabilities on a net basis on the balance sheet pursuant to criteria described in Note 1 “Significant Accounting Policies and Critical Accounting Estimates: Offsetting Financial Instruments” of the Group’s Financial Report 2013.

The following tables provide information on the impact of offsetting on the consolidated balance sheet, as well as the financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement as well as available cash and financial instrument collateral.

Assets

				Sep 30, 2014			
				Amounts not set off on the balance sheet			
in € m.	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts of financial assets presented on the balance sheet	Impact of Master Netting Agreements	Cash collateral	Financial instrument collateral[1]	Net amount
Central bank funds sold and securities purchased under resale agreements (enforceable)	25,318	(2,750)	22,568	0	0	(22,347)	221
Central bank funds sold and securities purchased under resale agreements (non-enforceable)	3,342	0	3,342	0	0	(3,342)	0
Securities borrowed (enforceable)	13,338	0	13,338	0	0	(12,688)	649
Securities borrowed (non-enforceable)	14,754	0	14,754	0	0	(13,701)	1,053
Financial assets at fair value through profit or loss							
Trading assets	196,933	(573)	196,360	0	(13)	(655)	195,692
Positive market values from derivative financial instruments (enforceable)	732,327	(199,662)	532,665	(461,891)	(48,094)	(10,957)	11,723
Positive market values from derivative financial instruments (non-enforceable)	23,102	0	23,102	0	0	0	23,102
Financial assets designated at fair value through profit or loss (enforceable)	141,101	(59,033)	82,067	(7,491)	(1,892)	(58,508)	14,176
Financial assets designated at fair value through profit or loss (non-enforceable)	60,846	0	60,846	0	0	(10,436)	50,410
Total financial assets at fair value through profit or loss	1,154,308	(259,268)	895,041	(469,382)	(49,999)	(80,557)	295,103
Loans	395,950	(108)	395,842	0	(14,886)	(45,940)	335,016
Other assets	201,854	(26,841)	175,013	(60,794)	(64)	(13)	114,142
Thereof: Positive market values from derivatives qualifying for hedge accounting (enforceable)	10,508	(6,550)	3,958	(3,461)	0	0	497
Remaining assets not subject to netting	189,291	0	189,291	0	(1,027)	(550)	187,714
Total assets	1,998,156	(288,967)	1,709,189	(530,176)	(65,977)	(179,139)	933,897

[1] Excludes real estate and other non-financial instrument collateral.

Liabilities

				Sep 30, 2014			
				Amounts not set off on the balance sheet			
in € m.	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts of financial liabilities presented on the balance sheet	Impact of Master Netting Agreements	Cash collateral	Financial instrument collateral	Net amount
Deposit	543,195	(42)	543,153	0	0	0	543,153
Central bank funds purchased and securities sold under repurchase agreements (enforceable)	10,728	(3,027)	7,701	0	0	(6,591)	1,110
Central bank funds purchased and securities sold under repurchase agreements (non-enforceable)	2,223	0	2,223	0	0	(2,223)	0
Securities loaned (enforceable)	2,226	0	2,226	0	0	(2,202)	24
Securities loaned (non-enforceable)	458	0	458	0	0	(406)	53
Financial liabilities at fair value through profit or loss							
Trading liabilities	49,334	(1,232)	48,102	0	0	0	48,102
Negative market values from derivative financial instruments (enforceable)	715,625	(199,939)	515,686	(461,836)	(49,145)	(4,705)	0
Negative market values from derivative financial instruments (non-enforceable)	23,776	0	23,776	0	0	0	23,776
Financial liabilities designated at fair value through profit or loss (enforceable)	104,486	(57,704)	46,782	(7,491)	0	(24,165)	15,126
Financial liabilities designated at fair value through profit or loss (non-enforceable)	20,538	0	20,538	0	0	(20,538)	0
Total financial liabilities at fair value through profit or loss	913,758	(258,875)	654,883	(469,326)	(49,145)	(49,408)	87,004
Other liabilities	238,924	(27,023)	211,901	(55,125)	0	0	156,776
Thereof: Negative market values from derivatives qualifying for hedge accounting (enforceable)	10,066	(6,550)	3,516	(3,516)	0	0	0
Remaining liabilities not subject to netting	216,537	0	216,537	0	0	0	216,537
Total liabilities	1,928,050	(288,967)	1,639,083	(524,452)	(49,145)	(60,829)	1,004,656

Assets

in € m.	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts of financial assets presented on the balance sheet	Amounts not set off on the balance sheet: Impact of Master Netting Agreements	Cash collateral	Financial instrument collateral[1]	Net amount
							Dec 31, 2013
Central bank funds sold and securities purchased under resale agreements (enforceable)	26,675	(2,390)	24,285	0	0	(24,271)	15
Central bank funds sold and securities purchased under resale agreements (non-enforceable)	3,077	0	3,077	0	0	(830)	2,248
Securities borrowed (enforceable)	11,438	0	11,438	0	0	(11,051)	386
Securities borrowed (non-enforceable)	9,432	0	9,432	0	0	(9,004)	428
Financial assets at fair value through profit or loss							
Trading assets	211,260	(1,190)	210,070	0	(311)	(2,881)	206,878
Positive market values from derivative financial instruments (enforceable)	738,425	(270,584)	467,841	(406,616)	(47,470)	(10,297)	3,458
Positive market values from derivative financial instruments (non-enforceable)	36,749	0	36,749	0	0	0	36,749
Financial assets designated at fair value through profit or loss (enforceable)	133,122	(19,575)	113,547	(17,121)	0	(84,266)	12,160
Financial assets designated at fair value through profit or loss (non-enforceable)	71,050	0	71,050	0	0	(50,263)	20,787
Total financial assets at fair value through profit or loss	1,190,605	(291,348)	899,257	(423,737)	(47,781)	(147,706)	280,032
Loans	376,638	(56)	376,582	0	(11,042)	(46,899)	318,640
Other assets	128,724	(16,185)	112,539	(43,574)	(278)	(385)	68,302
Thereof: Positive market values from derivatives qualifying for hedge accounting (enforceable)	9,375	(5,412)	3,963	(3,518)	0	0	445
Remaining assets not subject to netting	174,790	0	174,790	0	0	(755)	174,035
Total assets	1,921,380	(309,979)	1,611,400	(467,311)	(59,102)	(240,901)	844,087

[1] Excludes real estate and other non-financial instrument collateral. Amounts have been adjusted accordingly.

Liabilities

in € m.	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts of financial liabilities presented on the balance sheet	Amounts not set off on the balance sheet: Impact of Master Netting Agreements	Cash collateral	Financial instrument collateral	Net amount
							Dec 31, 2013
Deposit	527,750	0	527,750	0	0	0	527,750
Central bank funds purchased and securities sold under repurchase agreements (enforceable)	7,098	(2,390)	4,708	0	0	(4,675)	33
Central bank funds purchased and securities sold under repurchase agreements (non-enforceable)	8,673	0	8,673	0	0	(7,080)	1,594
Securities loaned (enforceable)	2,304	0	2,304	0	0	(2,112)	192
Securities loaned (non-enforceable)	0	0	0	0	0	0	0
Financial liabilities at fair value through profit or loss							
Trading liabilities	57,702	(1,898)	55,804	0	0	0	55,804
Negative market values from derivative financial instruments (enforceable)	721,233	(268,819)	452,414	(411,547)	(40,055)	(812)	0
Negative market values from derivative financial instruments (non-enforceable)	31,015	0	31,015	0	0	(7,639)	23,376
Financial liabilities designated at fair value through profit or loss (enforceable)	88,021	(18,262)	69,759	(17,121)	(588)	(49,055)	2,995
Financial liabilities designated at fair value through profit or loss (non-enforceable)	28,413	0	28,413	0	0	(3,890)	24,523
Total financial liabilities at fair value through profit or loss	926,384	(288,980)	637,404	(428,668)	(40,644)	(61,395)	106,698
Other liabilities	182,204	(18,610)	163,595	(46,058)	0	0	117,537
Thereof: Negative market values from derivatives qualifying for hedge accounting (enforceable)	6,028	(5,412)	616	(616)	0	0	0
Remaining liabilities not subject to netting	212,000	0	212,000	0	0	0	212,000
Total liabilities	1,866,414	(309,979)	1,556,434	(474,725)	(40,644)	(75,262)	965,803

The column “Gross amounts set off on the balance sheet” discloses the amounts offset in accordance with all the criteria described in Note 1 “Significant Accounting Policies and Critical Accounting Estimates: Offsetting Financial Instruments” of the Group’s Financial Report 2013.

The column “Impact of Master Netting Agreements” discloses the amounts that are subject to master netting agreements but were not offset because they did not meet the net settlement/simultaneous settlement criteria; or because the rights of off-setting are conditional upon the default of the counterparty only. The amounts presented for other assets and other liabilities include cash margin receivables and payables respectively.

The columns “Cash collateral” and “Financial instrument collateral” disclose the cash and financial instrument collateral amounts received or pledged in relation to the total amounts of assets and liabilities, including those that were not offset.

Non-enforceable master netting agreements refer to contracts executed in jurisdictions where the rights of set off may not be upheld under the local bankruptcy laws.

The cash collateral received against the positive market values of derivatives and the cash collateral pledged towards the negative mark-to-market values of derivatives are booked within the “Other liabilities” and “Other assets” balances respectively.

The Cash and Financial instrument collateral amounts disclosed reflect their fair values. The rights of set off relating to the cash and financial instrument collateral are conditional upon the default of the counterparty.

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

	Nine months ended Sep 30, 2013						
	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	2,266	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)

Other Assets and Other Liabilities

Other Assets

in € m.	Sep 30, 2014	Dec 31, 2013
Brokerage and securities related receivables		
Cash/margin receivables	56,767	40,938
Receivables from prime brokerage	11,499	9,140
Pending securities transactions past settlement date	8,583	2,697
Receivables from unsettled regular way trades	73,572	30,410
Total brokerage and securities related receivables	150,422	83,185
Accrued interest receivable	2,743	3,236
Assets held for sale	1,780	6,670
Other	20,068	19,448
Total other assets	**175,013**	112,539

Other Liabilities

in € m.	Sep 30, 2014	Dec 31, 2013
Brokerage and securities related payables		
Cash/margin payables	57,363	53,435
Payables from prime brokerage	32,863	30,266
Pending securities transactions past settlement date	7,447	2,289
Payables from unsettled regular way trades	72,723	33,001
Total brokerage and securities related payables	170,396	118,992
Accrued interest payable	2,784	3,673
Liabilities held for sale	97	6,264
Other	38,624	34,666
Total other liabilities	**211,901**	163,595

Long-Term Debt

in € m.	Sep 30, 2014	Dec 31, 2013
Senior debt:		
Bonds and notes		
Fixed rate	83,570	76,953
Floating rate	35,168	26,503
Subordinated debt:		
Bonds and notes		
Fixed rate	2,843	3,022
Floating rate	2,314	4,557
Other	**22,271**	22,047
Total long-term debt	**146,166**	133,082

Shares Issued and Outstanding

On June 5, 2014, Deutsche Bank AG issued 59.9 million new common shares at € 29.20 per share, resulting in total proceeds of € 1.7 billion. The shares were issued with full dividend rights for the year 2014 from authorized capital and without pre-emptive rights. The shares were placed with Paramount Services Holdings Ltd.

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

The transaction costs related to these capital increases that were directly recorded in equity amounted to € 0.1 billion after tax.

in million	Sep 30, 2014	Dec 31, 2013
Shares issued	1,379.3	1,019.5
Shares in treasury	0.5	0.2
Thereof:		
Buyback	0.1	0.0
Other	0.4	0.2
Shares outstanding	**1,378.8**	1,019.3

Additional Equity Components

On May 20, 2014, Deutsche Bank AG placed Additional Tier 1 Notes (the “AT1 Notes” or “Notes”), amounting to € 3.5 billion. Warrants to subscribe a total of 30,250 shares, which had originally been attached to the Notes, were already detached by an initial subscriber.

The AT1 Notes constitute unsecured and subordinated notes of Deutsche Bank. The Notes bear interest on their nominal amount from the issue date to the first call date at a fixed annual rate. Thereafter the interest rate will be reset at five year intervals. Payments of interest are subject to cancellation, in whole or in part, and, if cancelled, are non-cumulative, and interest payments in the following years will not increase to compensate for any shortfall in interest payments in any previous year. The Notes do not have a maturity date. They are redeemable by Deutsche Bank at its discretion on the respective first call date and at five year intervals thereafter or in other limited circumstances. In each case, the Notes are subject to limitations and conditions as described in the terms and conditions for example, the Notes can be redeemed by Deutsche Bank at its discretion, in whole but not in part, for certain regulatory or taxation reasons. Any redemption is subject to the prior consent of the competent supervisory authority. The redemption amount and the nominal amount of the Notes may be written down upon the occurrence of a trigger event. A trigger event occurs if the Common Equity Tier 1 capital ratio, determined on a consolidated basis falls below 5.125 %. The Notes may also be written up, following a trigger event, subject to meeting certain conditions.

Other Financial Information (unaudited)

Credit related Commitments and Contingent Liabilities

In the normal course of business the Group enters regularly into irrevocable lending commitments as well as lending-related contingent liabilities consisting of financial and performance guarantees, standby letters of credit and indemnity agreements on behalf of its customers. Under these contracts the Group is required to perform under an obligation agreement or to make payments to the beneficiary based on a third party's failure to meet its obligations. For these instruments it is not known to the Group in detail if, when and to what extent claims will be made. The Group considers these instruments in monitoring its credit exposure and may agree upon collateral to mitigate inherent credit risk. If the credit risk monitoring provides sufficient evidence of a loss from an expected claim, a provision is established and recorded on the balance sheet.

The following table shows the Group's irrevocable lending commitments and lending-related contingent liabilities without considering collateral or provisions. It shows the maximum potential impact to the Group in the event that all of these liabilities must be fulfilled. The table does not show the expected future cash outflows from these obligations as many of them will expire without being drawn, arising claims will be honoured by the customers, or such claims may be recovered from proceeds from collateral obtained.

in € m.	Sep 30, 2014	Dec 31, 2013
Irrevocable lending commitments	156,983	126,660
Contingent liabilities	64,827	65,630
Total	**221,810**	192,290

Other Contingencies

Litigation

The Group operates in a legal and regulatory environment that exposes it to significant litigation risks. As a result, the Group is involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, including the United States, arising in the ordinary course of business. The legal and regulatory claims for which the Group has taken material provisions or for which there are material contingent liabilities that are more than remote are described below; similar matters are grouped together and some matters consist of a number of claims. These and other matters have the potential to result in the imposition of significant financial and other consequences for the Bank. The estimated loss in respect of each, where such an estimate can be made, has not been disclosed for individual matters because the Group has concluded that such disclosure can be expected to seriously prejudice their outcome. Note 29 "Provisions" of the Group's Financial Report 2013 describes how the Group estimates provisions and expected losses in respect of its contingent liabilities, and the uncertainties and limitations inherent in such process. For these and other matters that may have a significant impact on the Group and for which an estimate can be made, the Group currently estimates that, as of September 30, 2014, the aggregate future loss of which the possibility is more than remote but less than probable is approximately € 1.7 billion (December 31, 2013: € 1.5 billion). This figure includes contingent liabilities on matters where the Group's potential liability is joint and several and where the Group expects any such liability to be paid by a third party.

The Group may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. It may do so to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when the Group believes it has valid defenses to liability. It may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, the Group may, for similar reasons, reimburse counterparties for their losses even in situations where it does not believe that it is legally compelled to do so.

Credit Default Swap Antitrust Matters. On July 1, 2013, the European Commission (EC) issued a Statement of Objections (the "SO") against Deutsche Bank, Markit Group Limited (Markit), the International Swaps and Derivatives Association, Inc. (ISDA), and twelve other banks alleging anti-competitive conduct under Article 101 of the Treaty on the Functioning of the European Union (TFEU) and Article 53 of the European Economic Area Agreement (the "EEA Agreement"). The SO sets forth preliminary conclusions of the EC that (i) attempts by certain entities to engage in exchange trading of unfunded credit derivatives were foreclosed by improper collective action in the period from 2006 through 2009, and (ii) the conduct of Markit, ISDA, Deutsche Bank and the twelve other banks constituted a single and continuous infringement of Article 101 of the TFEU and Article 53 of the EEA Agreement. If the EC finally concludes that infringement occurred, it may seek to impose fines and other remedial measures on Deutsche Bank, Markit, ISDA and the twelve other banks. Deutsche Bank filed a response contesting the EC's preliminary conclusions in January 2014. Deutsche Bank and other SO addressees presented orally the key elements of their responses at an oral hearing in May 2014. Following the oral hearing, the EC announced its intention to carry out a further investigation of the facts. The EC Commissioner has stated that he does not expect the EC's investigation to be concluded in 2014.

Antitrust Litigation regarding Credit Default Swaps. A multi-district civil class action is currently pending in the United States District Court for the Southern District of New York against Deutsche Bank and numerous other credit default swap (CDS) dealer banks, as well as Markit and ISDA. Plaintiffs filed a second consolidated amended class action complaint on April 11, 2014 alleging that the banks conspired with Markit and ISDA to prevent the establishment of exchange-traded CDS, with the effect of raising prices for over-the-counter CDS transactions. Plaintiffs seek to represent a class of individuals and entities located in the United States or abroad who, during a period from January 1, 2008 through December 31, 2013, directly purchased CDS from or directly sold CDS to the dealer defendants in the United States. Defendants moved to dismiss the second consolidated amended class action complaint on May 23, 2014. On September 4, 2014, the court granted in part and denied in part the motion to dismiss. Discovery on plaintiffs' remaining claims is ongoing.

Credit Correlation. Certain regulatory authorities are investigating Deutsche Bank's bespoke credit correlation trading book and certain risks within that book, during the credit crisis. Issues being examined include the methodology used to value positions in the book as well as the robustness of controls governing the application of valuation methodologies. Deutsche Bank is cooperating with those investigations.

FX Investigations and Litigations. Deutsche Bank has received requests for information from certain regulatory authorities globally who are investigating trading in the foreign exchange market. The Bank is cooperating with these investigations. Relatedly, Deutsche Bank is conducting its own internal global review of foreign exchange trading. In connection with this review, the Bank has taken, and will continue to take, disciplinary action with regards to individuals if merited. Deutsche Bank is also named as a defendant in three putative class actions brought in the United States District Court for the Southern District of New York alleging antitrust claims relating to the alleged manipulation of foreign exchange rates.

High Frequency Trading. Deutsche Bank has received requests for information from certain regulatory authorities related to high frequency trading. The Bank is cooperating with these requests. Deutsche Bank was initially named as a defendant in putative class action complaints alleging violations of U.S. securities laws related to high frequency trading, but in their consolidated amended complaint filed September 2, 2014, the plaintiffs did not include Deutsche Bank as a defendant.

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

On December 4, 2013, Deutsche Bank announced that it had reached a settlement with the European Commission as part of a collective settlement to resolve the European Commission's investigations in relation to anticompetitive conduct in the trading of Euro interest rate derivatives and Yen interest rate derivatives. Under the terms of the settlement agreement, Deutsche Bank agreed to pay € 466 million for the Euro interest rate derivatives and € 259 million for the Yen interest rate derivatives matters, respectively, or € 725 million in total. The settlement amount was already substantially reflected in Deutsche Bank's existing litigation reserves, and no material additional reserves were necessary. The settlement amount reflects the high market share held by Deutsche Bank in certain of the markets investigated by the European Commission. Deutsche Bank remains exposed to civil litigation and further regulatory action relating to these benchmarks.

Deutsche Bank has been informed by certain of the authorities investigating these matters that proceedings against Deutsche Bank will be recommended with respect to some aspects of the matters under investigation, and Deutsche Bank is engaged in discussions with those authorities about potential resolution of those aspects. It is not currently possible to predict the ultimate resolution of the issues covered by the various investigations and lawsuits, including the timing and the scale of the potential impact of any resolution.

In the period from mid-2012 to autumn 2014, five financial institutions entered into settlements with the U.K. Financial Services Authority, U.S. Commodity Futures Trading Commission and U.S. Department of Justice (DOJ). While the terms of the various settlements differed, they all involved significant financial penalties and regulatory consequences. For example, three financial institutions' settlements included a Deferred Prosecution Agreement, pursuant to which the DOJ agreed to defer prosecution of criminal charges against the applicable entity provided that the financial institution satisfies the terms of the Deferred Prosecution Agreement. The terms of the other two financial institutions' settlements included Non-Prosecution Agreements, pursuant to which the DOJ agreed not to file criminal charges against the entities so long as certain conditions are met. In addition, affiliates of two of the financial institutions agreed to plead guilty to a crime in a United States court for related conduct.

A number of civil actions, including putative class actions, are pending in federal court in the United States District Court for the Southern District of New York (SDNY) against Deutsche Bank and numerous other banks. All but two of these actions were filed on behalf of parties who allege that they held or transacted in U.S. Dollar LIBOR-based derivatives or other financial instruments and sustained losses as a result of purported collusion or manipulation by the defendants relating to the setting of U.S. Dollar LIBOR. With one exception, all of the civil actions pending in the SDNY concerning U.S. Dollar LIBOR are being coordinated as part of a multidistrict litigation (U.S. Dollar LIBOR MDL). In March 2013, the court dismissed the federal and state antitrust claims, claims asserted under the Racketeer Influenced and Corrupt Organizations Act (RICO) and certain state law claims that had been asserted in six amended complaints. Appeals to the United States Court of Appeals for the Second Circuit were dismissed as premature; the United States Supreme Court has granted a writ of certiorari filed by plaintiffs in one of the actions seeking review of the Second Circuit's dismissal and will consider the question of whether the appeal should be heard by the Court of Appeals now. Additional complaints relating to the alleged manipulation of U.S. Dollar LIBOR have been filed in, removed to, or transferred to the SDNY and are being coordinated as part of the U.S. Dollar LIBOR MDL. The court issued a decision in June 2014 addressing various matters pending before it at the time and is now considering motions to create certain interim putative classes. Various plaintiffs proceeding in their individual capacities (i.e., non-class actions) have filed amended complaints, and the parties are briefing motions to dismiss. An additional action concerning U.S. Dollar LIBOR is independently pending in the SDNY and is subject to a pending motion to dismiss. Finally, the Bank has also been named as a defendant in a civil action pending in the Central District of California concerning U.S. Dollar LIBOR; a motion to dismiss is being briefed.

A putative class action was filed against Deutsche Bank and other banks concerning the alleged manipulation of Yen LIBOR and Euroyen TIBOR. On March 28, 2014, the SDNY court granted defendants' motions to dismiss claims asserted under U.S. federal antitrust laws and for unjust enrichment, but denied defendants' motions as to certain claims asserted under the Commodity Exchange Act. Motions for reconsideration of the denial of defendants' motions are pending, as are motions to dismiss the case for lack of personal jurisdiction filed by Deutsche Bank and certain other foreign defendants. Discovery in the case is currently stayed. Deutsche Bank is also a defendant in a putative class action concerning the alleged manipulation of Euribor. The court granted a motion to stay discovery through May 12, 2015. Defendants' time to respond to that complaint has been stayed pending amendments to the complaint. Claims for damages in these cases have been asserted under various legal theories, including violations of the Commodity Exchange Act, federal and state antitrust laws, the Racketeer Influenced and Corrupt Organizations Act, and other federal and state laws.

Kirch. The public prosecutor's office in Munich has conducted and is currently conducting criminal investigations in connection with the Kirch case with regard to former Management Board members as well as the current Management Board members Juergen Fitschen and Dr. Stephan Leithner. The Kirch case involved several civil proceedings between Deutsche Bank AG and Dr. Leo Kirch as well as media companies controlled by him. The key issue was whether an interview given by Dr. Rolf Breuer, then Spokesman of Deutsche Bank's Management Board, in 2002 with Bloomberg television, during which Dr. Breuer commented on Dr. Kirch's (and his companies') inability to obtain financing, caused the insolvency of the Kirch companies. In February 2014, Deutsche Bank and the Kirch heirs reached a comprehensive settlement, which has ended all legal disputes between them.

The investigation involving current Management Board member Juergen Fitschen and several former Management Board members has been concluded. At the beginning of August 2014, an indictment was filed with the District Court of Munich against Mr. Fitschen and such former Management Board members. The public prosecutor has applied for the court to order Deutsche Bank's secondary participation in the proceedings in regard to a potential regulatory offence pursuant to Section 30 of the German Regulatory Offences Act. The indictment was served to the former Management Board members, Mr. Fitschen and Deutsche Bank AG in September 2014.

The investigation involving current Management Board member Dr. Stephan Leithner is ongoing.

The allegations of the public prosecutors are that the two current Management Board members failed to correct in a timely manner factual statements made by Deutsche Bank's litigation counsel in submissions filed in a civil case between Kirch and Deutsche Bank AG before the Munich Higher Regional Court and the Federal Court of Justice, after allegedly having become aware that such statements were not correct. Under German law, a party in a civil litigation is under a statutory duty to make sure all factual statements made by it in court are accurate. The investigation of Dr. Leithner and the indictment of Mr. Fitschen are based on the allegation that (unlike the other current Management Board members of the Bank) they had special knowledge or responsibility in relation to the Kirch case. The indictment regarding former Management Board members is based on the allegation that such former Management Board members gave incorrect testimony to the Munich Higher Regional Court.

The Supervisory Board and the Management Board of the Bank have obtained opinions from an international law firm and a retired president of one of the leading courts of appeal in Germany to the effect that there is no basis for the accusation of criminal wrongdoing made by the public prosecutors against Mr. Fitschen and Dr. Leithner. Deutsche Bank is fully cooperating with the Munich public prosecutor's office.

Mortgage-Related and Asset-Backed Securities Matters and Investigation. Deutsche Bank, along with certain affiliates (collectively referred in these paragraphs to as “Deutsche Bank”), have received subpoenas and requests for information from certain regulators and government entities, including members of the Residential Mortgage-Backed Securities Working Group of the U.S. Financial Fraud Enforcement Task Force, concerning its activities regarding the origination, purchase, securitization, sale and/or trading of mortgage loans, residential mortgage-backed securities (RMBS), collateralized debt obligations, other asset-backed securities and credit derivatives. Deutsche Bank is cooperating fully in response to those subpoenas and requests for information.

Deutsche Bank has been named as a defendant in a civil action brought by the Commonwealth of Virginia asserting claims for fraud and breach of the Virginia Fraud Against Taxpayers Act as a result of purchases by the Virginia Retirement System of RMBS issued or underwritten by Deutsche Bank. Deutsche Bank is one of thirteen financial institutions named as defendants. The complaint alleges damages of $1.15 billion in the aggregate against all defendants but does not specify the damages sought from each defendant. The action was originally filed under seal by a private party and was unsealed on September 14, 2014, after the Attorney General for Virginia decided to intervene in the action.

Deutsche Bank has been named as defendant in numerous civil litigations in various roles as issuer or underwriter in offerings of RMBS and other asset-backed securities. These cases include putative class action suits, actions by individual purchasers of securities, actions by trustees on behalf of RMBS trusts, and actions by insurance companies that guaranteed payments of principal and interest for particular tranches of securities offerings. Although the allegations vary by lawsuit, these cases generally allege that the RMBS offering documents contained material misrepresentations and omissions, including with regard to the underwriting standards pursuant to which the underlying mortgage loans were issued, or assert that various representations or warranties relating to the loans were breached at the time of origination.

Deutsche Bank is a defendant in putative class actions relating to its role, along with other financial institutions, as underwriter of RMBS issued by IndyMac MBS, Inc. On September 8, 2014, Deutsche Bank, certain other financial institution defendants and lead plaintiffs executed a stipulation to settle the action. On September 30, 2014, the court issued an order certifying the class for settlement and approving notice to the class, and scheduled a final approval hearing for February 3, 2015. Under the settlement, all settling defendants will pay a total of $ 340 million. Deutsche Bank’s portion of the settlement is not material to it.

Deutsche Bank is a defendant in a putative class action relating to its role, along with other financial institutions, as underwriter of RMBS issued by Novastar Mortgage Corporation. The case is in discovery.

On December 18, 2013, the United States District Court for the Southern District of New York dismissed the claims against Deutsche Bank in the putative class action relating to RMBS issued by Residential Accredit Loans, Inc. and its affiliates.

Deutsche Bank is a defendant in various non-class action lawsuits and arbitrations by alleged purchasers of, and counterparties involved in transactions relating to, RMBS, and their affiliates, including Assured Guaranty Municipal Corporation, Aozora Bank, Ltd., Commerzbank AG, the Federal Deposit Insurance Corporation (as conservator for Colonial Bank, Franklin Bank S.S.B., Guaranty Bank, Citizens National Bank and Strategic Capital Bank), the Federal Home Loan Bank of Boston, the Federal Home Loan Bank of San Francisco, the Federal Home Loan Bank of Seattle, HSBC Bank USA, National Association (as trustee for certain RMBS trusts), John Hancock, Knights of Columbus, Landesbank Baden-Württemberg, Mass Mutual Life Insurance Company, Phoenix Light SF Limited (as purported assignee of claims of special purpose vehicles created and/or managed by WestLB AG), Royal Park Investments (as purported assignee of claims of a special-purpose vehicle created to acquire certain assets of Fortis Bank), Sealink Funding Ltd. (as purported assignee of claims of special purpose vehicles created and/or managed by Sachsen Landesbank and its subsidiaries), Texas County & District Retirement System and The Charles Schwab Corporation.

On October 2, 2014, pursuant to a confidential settlement agreement, Bayerische Landesbank dismissed with prejudice the action it had filed against Deutsche Bank. The financial terms of the settlement are not material to Deutsche Bank.

On October 1, 2014, the district court entered an order dismissing with prejudice claims brought against Deutsche Bank by Triaxx Prime CDO 2006-1 Ltd., Triaxx Prime CDO 2006-1 LLC, Triaxx Prime CDO 2006-2 Ltd., Triaxx Prime CDO 2006-2 LLC, Triaxx Prime CDO 2007-1 Ltd. and Triaxx Prime CDO 2007-1 LLC. Deutsche Bank's understanding is that the dismissal was pursuant to a confidential settlement between the plaintiffs and certain defendants affiliated with Countrywide Securities Corporation. Deutsche Bank did not contribute to the settlement.

In the actions against Deutsche Bank solely as an underwriter of other issuers' RMBS offerings, Deutsche Bank has contractual rights to indemnification from the issuers, but those indemnity rights may in whole or in part prove effectively unenforceable where the issuers are now or may in the future be in bankruptcy or otherwise defunct.

Deutsche Bank has entered into agreements with certain entities that have threatened to assert claims against Deutsche Bank in connection with various RMBS offerings and other related products to toll the relevant statutes of limitations. It is possible that these potential claims may have a material impact on Deutsche Bank. In addition, Deutsche Bank has entered into settlement agreements with some of these entities, the financial terms of which are not material to Deutsche Bank.

Deutsche Bank National Trust Company ("DBNTC") and Deutsche Bank Trust Company Americas ("DBTCA") have been named as defendants in civil litigation concerning their roles as trustees of certain RMBS trusts. On June 18, 2014, a group of investors filed a civil action against DBNTC and DBTCA in New York State Supreme Court purportedly on behalf of and for the benefit of 544 private-label RMBS trusts asserting claims for alleged violations of the Trust Indenture Act of 1939, breach of contract, breach of fiduciary duty and negligence based on DBNTC and DBTCA's alleged failure to perform their duties as trustees for the trusts. Plaintiffs have since filed an amended complaint. On June 18, 2014, Royal Park Investments SA/NV filed a purported class action on behalf of investors in 10 RMBS trusts against DBNTC in the U.S. District Court for the Southern District of New York asserting claims for alleged violations of the Trust Indenture Act of 1939, breach of contract and breach of trust based on DBNTC's alleged failure to perform its duties as trustee for the trusts. DBNTC has moved to dismiss the complaint.

Precious metals. Deutsche Bank has received requests for information from certain regulatory authorities related to precious metal benchmarks. The Bank is cooperating with those requests. Deutsche Bank is also named as a defendant in several putative class action complaints alleging violations of U.S. antitrust law and the U.S. Commodity Exchange Act related to alleged manipulation of gold and silver prices through participation in the Gold and Silver Fixes.

U.S. Embargoes-Related Matters. Deutsche Bank has received requests for information from certain regulatory and law enforcement agencies concerning its historical processing of U.S. Dollar payment orders through U.S. financial institutions for parties from countries subject to U.S. embargo laws. These agencies are investigating whether such processing complied with U.S. federal and state laws. In 2006, Deutsche Bank voluntarily decided that it would not engage in new U.S. Dollar business with counterparties in Iran, Sudan, North Korea and Cuba and with certain Syrian banks, and to exit existing U.S. Dollar business with such counterparties to the extent legally possible. In 2007, Deutsche Bank decided that it would not engage in any new business, in any currency, with counterparties in Iran, Syria, Sudan and North Korea and to exit existing business, in any currency, with such counterparties to the extent legally possible; it also decided to limit its non-U.S. Dollar business with counterparties in Cuba. Deutsche Bank is providing information to and otherwise cooperating with these agencies in their investigations.

Mortgage Repurchase Demands

From 2005 through 2008, as part of Deutsche Bank's U.S. residential mortgage loan business, Deutsche Bank sold approximately U.S.$ 84 billion of private label securities and U.S.$ 71 billion of loans through whole loan sales. Deutsche Bank has been presented with demands to repurchase loans from or to indemnify purchasers, investors or financial insurers with respect to losses allegedly caused by material breaches of representations and warranties. Deutsche Bank's general practice is to process valid repurchase demands that are presented in compliance with contractual rights.

As of September 30, 2014, Deutsche Bank has approximately U.S.$ 4.5 billion of mortgage repurchase demands outstanding and not subject to agreements to rescind (based on original principal balance of the loans). These demands consist primarily of demands made in respect of private label securitizations by the trustees or servicers thereof. Against these outstanding demands, Deutsche Bank recorded provisions of U.S.$ 514 million (€ 407 million) as of September 30, 2014.

As of September 30, 2014, Deutsche Bank has completed repurchases, obtained agreements to rescind and otherwise settled claims on loans with an original principal balance of approximately U.S.$ 5.0 billion. In connection with those repurchases, agreements and settlements, Deutsche Bank has obtained releases for potential claims on approximately U.S.$ 66.0 billion of loans sold by Deutsche Bank as described above.

Deutsche Bank has entered into agreements with certain entities that have threatened to assert mortgage loan repurchase demands against Deutsche Bank to toll the relevant statutes of limitations. It is possible that these potential demands may have a material impact on Deutsche Bank.

Deutsche Bank anticipates that additional mortgage repurchase demands may be made in respect of mortgage loans that it has sold, but cannot reliably estimate their timing or amount, which can be influenced by, among other things, court decisions on when the statute of limitations on breaches of representations and warranties accrues including in an appeal pending before the New York Court of Appeal with respect to a residential mortgage-backed security issued by Deutsche Bank.

Related Party Transactions

Transactions with related parties are made in the ordinary course of business and on substantially the same terms, including interest rates and collateral, as those prevailing for comparable transactions with other parties.

Transactions with Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Deutsche Bank Group, directly or indirectly. The Group considers the members of the Management Board as currently mandated and the Supervisory Board of the parent company to constitute key management personnel for purposes of IAS 24. Among the Group's transactions with key management personnel as of September 30, 2014, were loans and commitments of € 3 million and deposits of € 15 million. As of December 31, 2013, there were loans and commitments of € 4 million and deposits of € 12 million among the Group's transactions with key management personnel. In addition, the Group provides banking services, such as payment and account services as well as investment advice, to key management personnel and their close family members.

Transactions with Subsidiaries, Associates and Joint Ventures

Transactions between Deutsche Bank AG and its subsidiaries meet the definition of related party transactions. If these transactions are eliminated on consolidation, they are not disclosed as related party transactions. Transactions between the Group and its associated companies and joint ventures and their respective subsidiaries also qualify as related party transactions.

Loans issued and guarantees granted

	Associated companies and other related parties	
in € m.	Sep 30, 2014	Dec 31, 2013
Loans outstanding, beginning of period	**357**	918
Loans issued during the period	463	528
Loan repayments during the period	460	676
Changes in the group of consolidated companies	0	(397)[1]
Exchange rate changes/other	16	(16)
Loans outstanding, end of period[2]	**376**	357
Other credit risk related transactions:		
Allowance for loan losses	5	6
Provision for loan losses	0	0
Guarantees and commitments	53	54

[1] In the second quarter of 2013, some entities were fully consolidated for the first time, which were formerly classified as equity method investments. Therefore loans made to these investments were eliminated on consolidation. Consequently related provisions and allowances for loan losses reduced at the same time.
[2] Loans past due were € 3 million as of September 30, 2014 and € 2 million as of December 31, 2013.

Deposits received

	Associated companies and other related parties	
in € m.	Sep 30, 2014	Dec 31, 2013
Deposits, beginning of period	**167**	245
Deposits received during the period	140	105
Deposits repaid during the period	86	179
Changes in the group of consolidated companies	(43)	(3)
Exchange rate changes/other	2	(2)
Deposits, end of period	**180**	167

Other Transactions

Trading assets and positive market values from derivative financial transactions with associated companies amounted to € 122 million as of September 30, 2014, and € 130 million as of December 31, 2013. Trading liabilities and negative market values from derivative financial transactions with associated companies were nil as of September 30, 2014, and € 1 million as of December 31, 2013.

Transactions with Pension Plans

The Group has business relationships with a number of its pension plans pursuant to which it provides financial services to these plans, including investment management. Pension funds may hold or trade Deutsche Bank AG shares or securities. As of September 30, 2014, transactions with these plans were not material for the Group.

Business Combinations

Xchanging Transaction Bank

On September 2, 2013, Deutsche Bank AG announced that it completed the purchase of the remaining 51 % of the shares in its joint venture Xchanging etb GmbH (“Xetb”), which is the holding company of Xchanging Transaction Bank GmbH (“XTB”). The purchase price paid for the step-acquisition consists of a base component of € 41 million, subject to certain adjustments. Of that amount, € 36 million was paid as cash consideration by the acquirer. The remaining € 5 million was paid by XTB to the seller, Xchanging plc., in the course of closing the transaction, which resulted in a reduction of the acquired net assets.

The acquisition accounting was finalized in the second quarter 2014, resulting in a net increase of the purchase consideration paid and a corresponding increase of goodwill recognized of € 1 million each. Accordingly, the final amount of goodwill originating from the transaction amounted to € 38 million, which has been allocated to PBC (€ 25 million), GTB (€ 6 million), CB&S (€ 5 million) and Deutsche AWM (€ 2 million). The reconciliation of the total purchase consideration and the opening balance sheet as of the acquisition date were as follows:

Fair Value of Assets Acquired and Liabilities Assumed as of the Acquisition Date

in € m.	
Cash consideration transferred	36
Fair value of pre-existing stakes	21
Deduction for settlement of pre-existing relationship	(8)
Total purchase consideration, including fair value of the Group's equity interest held before the business combination	50
Recognized amounts of identifiable assets acquired and liabilities assumed[1]	
Cash and cash equivalents	6
Financial assets available for sale	24
Intangible assets	6
All other assets	31
Provisions	22
All other liabilities	34
Total identifiable net assets	12
Goodwill	38
Total identifiable net assets and goodwill acquired	50

[1] By major class of assets acquired and liabilities assumed.

Non-Current Assets and Disposal Groups Held for Sale

Within the balance sheet, non-current assets and disposal groups held for sale are reported in Other assets and Other liabilities. This note provides further explanation on the nature and the financial impact of the non-current assets and disposal groups held for sale as of September 30, 2014.

Non-Current Assets and Disposal Groups Held for Sale at the Reporting Date

Total assets held for sale amounted to € 1.8 billion as of September 30, 2014 (December 31, 2013: € 6.7 billion) and the disposal groups included liabilities of € 97 million (December 31, 2013: € 6.3 billion).

In the second quarter 2014, the Group reached an agreement with Blackstone Real Estate Partners VII ("Blackstone") to sell Nevada Property 1 LLC, the owner of The Cosmopolitan of Las Vegas ("The Cosmopolitan"), a leading resort and casino held in the Corporate Division NCOU. Under the transaction, Blackstone will acquire 100 % of The Cosmopolitan for approximately € 1.4 billion (U.S.$ 1.73 billion), which will be paid in cash. Its classification as a disposal group held for sale did not result in an impairment loss. The transaction, which is subject to regulatory approvals, is expected to close in the fourth quarter 2014.

In the first quarter 2014, the Group classified a real estate foreclosure portfolio as held for sale within the Corporate Division NCOU. The portfolio has since been sold. Its classification as held for sale did not result in an impairment loss. The respective portfolio has been measured at fair value less costs to sell on a non-recurring basis, with fair value measurement categorized as level 3 in the fair value hierarchy.

As of September 30, 2014 and December 31, 2013, unrealized net gains of € 0 million and € 2 million, respectively, relating to non-current assets and disposal groups classified as held for sale were recognized directly in accumulated other comprehensive income (loss).

Disposals

Division	Disposal	Financial impact[1]	Date of the disposal
Deutsche AWM	Sale of part of the Group's Wealth Management business in the UK.	An impairment loss of € 9 million was recorded in the first quarter 2014.	Third quarter 2014
Private & Business Clients	Office building previously held as property and equipment.	None.	Second quarter 2014
Non-Core Operations Unit	Sale of the Group's subsidiary BHF-BANK AG to Kleinwort Benson Group and RHJ International ("RHJI"), following receipt of outstanding regulatory approvals. The Group received total consideration subject to closing purchase price adjustments of € 340 million, comprised of € 309 million in cash and € 31 million in RHJI shares issued at par value.	None.	First quarter 2014
Non-Core Operations Unit	Sale of office buildings previously held as investment property within other assets.	None.	First quarter 2014

1 Impairment losses and reversals of impairment losses are included in Other income.

Events after the Reporting Period

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

Other Information (unaudited)

Non-GAAP Financial Measures

This document and other documents the Group has published or may publish contain non-GAAP financial measures. Non-GAAP financial measures are measures of the Group's historical or future performance, financial position or cash flows that contain adjustments that exclude or include amounts that are included or excluded, as the case may be, from the most directly comparable measure calculated and presented in accordance with IFRS in the Group's financial statements.

Fully loaded CRR/CRD 4 Leverage Ratio

As part of its balance sheet management, the Group uses a fully loaded CRR/CRD 4 leverage ratio, which is Tier 1 capital on a fully loaded basis as a percentage of the CRR/CRD 4 exposure measure (which is derived by applying adjustments to IFRS total assets). Such non-GAAP financial measure is described in "Management Report: Risk Report: Balance Sheet Management". This measure is calculated based on the Group's current interpretation of rules and might therefore vary from the assumptions and estimates applied by the Group's competitors. Accordingly, the fully loaded CRR/CRD 4 leverage ratio may not be comparable with similarly labeled measures used by the Group's competitors.

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 the leverage ratio under a revised CRR/CRD 4 framework. A discussion of the changes and the Group's estimate of the potential impact of the revised CRR/CRD 4 rules on the leverage exposure measure and the leverage ratio is described in "Management Report: Risk Report: Balance Sheet Management".

Pre-Tax and Post-Tax Return on Average Active Equity

The pre-tax return on average active equity non-GAAP financial measure is based on IBIT attributable to Deutsche Bank shareholders, as a percentage of the Group's average active equity, both as defined below.

In connection with the implementation of the Group's communicated strategy, the Group considers the post-tax return on average active equity, both on a Group and a segment basis. The post-tax return on both average shareholders' equity and 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, and minus 183 % for the prior year's quarter. The tax rate was 56 % for the nine months ended September 30, 2014, and 37 % for the prior year's comparative period. For the post-tax return on average active equity of the segments, the Group's effective tax rate was adjusted to exclude the impact of permanent differences not attributable to the segments, so that the segment tax rates ranged from 36 % to 42 % for the current quarter and from 9 % to 29 % for the prior year's quarter. The tax rate was 35 % for the nine months ended September 30, 2014, and 31 % for the nine months ended September 30, 2013.

IBIT attributable to Deutsche Bank Shareholders: The IBIT attributable to Deutsche Bank shareholders non-GAAP financial measure is based on income (loss) before income taxes as follows:

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Income (loss) before income taxes (IBIT)	**266**	18	**2,864**	3,224
Less income (loss) before income taxes attributable to noncontrolling interests	(3)	(10)	(24)	(20)
IBIT attributable to Deutsche Bank shareholders	**264**	8	**2,840**	3,204

Average Active Equity: The Group calculates active equity to make comparisons to its competitors easier and refers to active equity in several ratios. However, active equity is not a measure provided for in IFRS and the Group's ratios based on average active equity should not be compared to other companies' ratios without considering differences in the calculations. The Group adjusts the average shareholders' equity for average dividends, for which a proposal is accrued on a quarterly basis and which are paid after the approval at the Annual General Meeting each year.

	Three months ended		Nine months ended	
in € m.	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Average shareholders' equity	**65,577**	57,071	**59,576**	56,143
Average dividend accruals	(647)	(478)	(737)	(630)
Average active equity	**64,930**	56,593	**58,840**	55,513

Pre-tax and post-tax returns on average active equity are presented below. For comparison, also presented are the pre-tax and post-tax returns on average shareholders' equity, which are defined as IBIT and net income, respectively, attributable to Deutsche Bank shareholders, as a percentage of average shareholders' equity.

	Three months ended		Nine months ended	
in %	Sep 30, 2014	Sep 30, 2013	Sep 30, 2014	Sep 30, 2013
Pre-tax return on average shareholders' equity	1.6	0.1	6.4	7.6
Pre-tax return on average active equity	1.6	0.1	6.4	7.7
Post-tax return on average shareholders' equity	(0.6)	0.3	2.7	4.8
Post-tax return on average active equity	(0.6)	0.3	2.8	4.9

Book Value and Tangible Book Value per Basic Share Outstanding

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

Tangible Book Value

in € m.	Sep 30, 2014	Dec 31, 2013
Total shareholders' equity (Book value)	**66,352**	54,719
Goodwill and other intangible assets	(14,672)	(13,932)
Tangible shareholders' equity (Tangible book value)	**51,681**	40,787

Basic Shares Outstanding

in million (unless stated otherwise)	Sep 30, 2014	Dec 31, 2013
Number of shares issued	**1,379.3**	1,068.5
Treasury shares	(0.5)	(0.2)
Vested share awards	4.2	8.8
Basic shares outstanding[1]	**1,382.9**	1,077.1
Book value per basic share outstanding in €	**47.98**	50.80
Tangible book value per basic share outstanding in €	**37.37**	37.87

[1] The basic shares outstanding have been adjusted for December 31, 2013, in order to reflect the effect of the bonus component of subscription rights issued in June 2014 in connection with the capital increase.

Cost-income ratio (adjusted) and Post-tax return on average active equity (adjusted)

In connection with the implementation of the Group's communicated strategy, Deutsche Bank has announced aspirations, at the Group level and with respect to the CB&S Corporate Division, for its cost-income ratio (adjusted) and its post-tax return on average active equity (adjusted), both of which are non-GAAP financial measures.

Cost-income ratio (adjusted) is calculated by dividing adjusted cost base (described below) by net revenues (reported).

Post-tax return on average active equity (adjusted) is calculated by dividing net income attributable to Deutsche Bank shareholders (adjusted) (described below) by average active equity (described above).

Adjusted cost base is a non-GAAP financial measure most directly comparable to the IFRS financial measure noninterest expenses. Adjusted cost base is calculated by adjusting noninterest expenses under IFRS for (i) the costs-to-achieve (CtA) of the Group's Operational Excellence (OpEx) program, (ii) litigation expenses, (iii) policyholder benefits and claims, (iv) other severances, (v) impairment of goodwill and other intangible assets and (vi) other divisional-specific cost items.

IBIT attributable to Deutsche Bank shareholders (adjusted) is a non-GAAP financial measure most directly comparable to the IFRS financial measure income before income taxes (IBIT). It is calculated by adjusting IBIT attributable to Deutsche Bank shareholders (which, as described above, is itself a non-GAAP financial measure based on income before income taxes (IBIT) under IFRS) for (i) CRR/CRD 4 CVA (mark-to-market movements on related hedges), DVA and FVA, (ii) OpEx CtA, (iii) other severances, (iv) litigation expenses and (v) impairment of goodwill and other intangible assets.

Net income attributable to Deutsche Bank shareholders (adjusted) is a non-GAAP financial measure most directly comparable to the IFRS financial measure net income. It is calculated by adjusting IBIT attributable to Deutsche Bank shareholders (adjusted) for the income tax expense (benefit) impact for the period.

The Group believes that the presentation of these measures excluding the impact of these items provides a more meaningful depiction of the underlying fundamentals of its businesses impacted by such items.

Reconciliation of the movement of reported to adjusted parameters

	Three months ended				Nine months ended			
	Sep 30, 2014		Sep 30, 2013		Sep 30, 2014		Sep 30, 2013	
in € m. (unless stated otherwise)	CB&S	Group	CB&S	Group	CB&S	Group	CB&S	Group
Net revenues (reported)	**3,147**	**7,864**	2,900	7,745	**10,755**	**24,116**	11,026	25,351
Valuation Adjustments (CVA/DVA/FVA)[1]	(173)	(58)	(75)	(75)	(280)	(305)	(26)	(26)
Net revenues (adjusted)	**3,320**	**7,922**	2,975	7,820	**11,035**	**24,422**	11,052	25,377
Noninterest expenses (reported)	**(2,737)**	**(7,328)**	(2,487)	(7,215)	**(7,887)**	**(20,488)**	(7,859)	(20,787)
Cost-to-Achieve[2]	(69)	(253)	(75)	(242)	(341)	(938)	(197)	(823)
Other Severance	(18)	(40)	(8)	(14)	(35)	(83)	(28)	(66)
Policyholder benefits and claims	0	(77)	0	(171)	0	(209)	0	(356)
Litigation	(304)	(894)	(341)	(1,163)	(544)	(1,363)	(850)	(1,925)
Impairment of Goodwill & Intangibles	0	0	0	0	0	0	0	0
Other disclosed cost specific items	0	(23)	0	(24)	0	(137)	0	(73)
Adjusted cost base	**(2,346)**	**(6,043)**	(2,063)	(5,600)	**(6,968)**	**(17,758)**	(6,784)	(17,543)
Income (loss) before income taxes (reported)	**374**	**266**	361	18	**2,750**	**2,864**	3,027	3,224
Income (loss) before income taxes attributable to noncontrolling interests[3]	0	(3)	0	(10)	0	(24)	0	(20)
IBIT attributable to Deutsche Bank shareholders	**374**	**264**	361	8	**2,750**	**2,840**	3,027	3,204
Valuation Adjustments (CVA/DVA/FVA)[1]	(173)	(58)	(75)	(75)	(280)	(305)	(26)	(26)
Cost-to-Achieve[2]	(69)	(253)	(75)	(242)	(341)	(938)	(197)	(823)
Other Severance	(18)	(40)	(8)	(14)	(35)	(83)	(28)	(66)
Litigation	(304)	(894)	(341)	(1,163)	(544)	(1,363)	(850)	(1,925)
Impairment of Goodwill & Intangibles	0	0	0	0	0	0	0	0
IBIT attributable to Deutsche Bank shareholders (adjusted)	**938**	**1,508**	860	1,503	**3,950**	**5,529**	4,128	6,045
Cost/income ratio (reported)		**93 %**		93 %		**85 %**		82 %
Cost/income ratio (adjusted)		**77 %**		72 %		**74 %**		69 %
Average Active Equity (nine month ended)					23,701	58,840	20,004	55,513
Average Active Equity (three month ended)	25,385	64,930	20,912	56,593				
Post-tax return on average active equity based on net income (loss) (reported)[4]	**3 %**	**(1) %**	6 %	0 %	**10 %**	**3 %**	14 %	5 %
Post-tax return on average active equity based on net income (loss) (adjusted)[4,5]	**10 %**	**6 %**	11 %	7 %	**14 %**	**8 %**	19 %	10 %

[1] CRR/CRD 4 Credit Valuation Adjustment (CVA), Debt Valuation Adjustment (DVA), Funding Valuation Adjustment (FVA).
[2] Includes CtA related to Postbank, Investment and OpEx.
[3] Within income before income taxes of the Segments, noncontrolling interests are reflected as expenses.
[4] Based on net income attributable to Deutsche Bank shareholders.
[5] Calculation is based on an adjusted tax rate of 35 % for three and nine months ended September 30, 2014 and 32.7 % for three and nine months ended September 30, 2013.