Risk Report

Introduction

Risk Management Framework

The wide variety of our businesses requires us to identify, measure, aggregate and manage our risks effectively, and to allocate our capital among our businesses appropriately. We operate as an integrated group through our divisions, business units and infrastructure functions. We manage risk and capital through a framework of principles, organizational structures and monitoring processes that are closely aligned with the activities of the divisions and business units. Further information about our risk management framework, which has remained principally unchanged since year-end 2013, can be found in our Financial Report 2013.

Basel 3 and CRR/CRD 4

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

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

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

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

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

Scope of Consolidation

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

Overall Risk Assessment

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

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

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

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

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

Risk Profile

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

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

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

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

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

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

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

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

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

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

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

Risk Management Executive Summary

Credit Risk Summary

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

Market Risk Summary

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

Operational Risk Summary

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

Liquidity Risk Summary

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

Capital Management Summary

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

Balance Sheet Management Summary

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

Credit Risk

Credit Exposure Classifications

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

— Our consumer credit exposure consists of our smaller-balance standardized homogeneous loans, primarily in Germany, Italy and Spain. It includes personal loans, residential and nonresidential mortgage loans, overdrafts and loans to self-employed and small business customers of our private and retail businesses.
— Our corporate credit exposure consists of all exposures not defined as consumer credit exposure.

Corporate Credit Exposure

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

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

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

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

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

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

Consumer Credit Exposure

In our consumer credit exposure we monitor consumer loan delinquencies in terms of loans that are 90 days or more past due and net credit costs, which are the annualized net provisions charged after recoveries.

Consumer Credit Exposure

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

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

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

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

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

Credit Risk Exposure to certain Eurozone Countries

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

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

— In our “risk management” view, we consider the domicile of the group parent, thereby reflecting the one obligor principle. All facilities to a group of borrowers which are linked to each other (e.g., by one entity holding a majority of the voting rights or capital of another) are consolidated under one obligor. This group of borrowers is usually allocated to the country of domicile of the respective parent company. As an example, a loan to a counterparty in Spain is Spanish risk as per a domicile view but considered a German risk, from a risk management perspective, if the respective counterparty is linked to a parent company domiciled in Germany following the above-mentioned one obligor principle. In this risk management view we also consider derivative netting and present exposures net of hedges and collateral. The collateral valuations follow the same approach and principles as outlined in our Financial Report 2013. Also, in our risk management view, we classify exposure to special purpose entities based on the domicile of the underlying assets as opposed to the domicile of the special purpose entities. Additional considerations apply for structured products. If, for example, a structured note is issued by a special purpose entity domiciled in Ireland, it will be considered an Irish risk in a “country of domicile” view, but if the underlying assets collateralizing the structured note are German mortgage loans, then the exposure would be included as German risk in the “risk management” view.
— In our “country of domicile” view we aggregate credit risk exposures to counterparties by allocating them to the domicile of the primary counterparty, irrespective of any link to other counterparties, or in relation to credit default swaps underlying reference assets from these eurozone countries. Hence we also include counterparties whose group parent is located outside of these countries and exposures to special purpose entities whose underlying assets are from entities domiciled in other countries.

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

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

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

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

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

include credit derivative tranches and credit derivatives in relation to our correlation business which, by design, is structured to be credit risk neutral. Additionally the tranche and correlated nature of these positions do not allow a meaningful disaggregated notional presentation by country, e.g., as identical notional exposures represent different levels of risk for different tranche levels.

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

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

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

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

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

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

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

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

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

For our credit derivative exposure with these eurozone countries we present the notional amounts for protection sold and protection bought on a gross level as well as the resulting net notional position and its fair value. For a more detailed description of our usage of credit derivatives to manage credit risk see the respective risk sections of our Financial Report 2013.

Credit derivative exposure with underlying assets domiciled in certain eurozone countries

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

Sovereign Credit Risk Exposure to certain eurozone countries

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

Sovereign credit risk exposure to certain eurozone Countries

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

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

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

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

Asset Quality

This section describes the asset quality of our loans. All loans, where known information about possible credit problems of borrowers causes our management to have serious doubts as to the collectability of the borrower's contractual obligations, are included in this section.

Overview of performing, renegotiated, past due and impaired loans by customer groups

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

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

Impaired Loans

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

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

Credit Risk Management's loss assessments are subject to regular review in collaboration with Group Finance. The results of this review are reported to and approved by an oversight committee comprised of Group Finance and Risk senior management.

Impairment Loss and Allowance for Loan Losses

If there is evidence of impairment the impairment loss is generally calculated on the basis of discounted expected cash flows using the original effective interest rate of the loan. If the terms of a loan are renegotiated or otherwise modified because of financial difficulties of the borrower without qualifying for a derecognition of the loan, the impairment loss is measured using the original effective interest rate before modification of terms. We reduce the carrying amount of the impaired loan by the use of an allowance account and recognize the amount of the loss in the consolidated statement of income as a component of the provision for credit losses. We record increases to our allowance for loan losses as an increase of the provision for loan losses in our income statement. Charge-offs reduce our allowance while recoveries, if any, are credited to the allowance account. If we determine that we no longer require allowances which we have previously established, we decrease our allowance and record the amount as a reduction of the provision for loan losses in our income statement. When it is considered that there is no realistic prospect of recovery and all collateral has been realized or transferred to us, the loan and any associated allowance for loan losses is charged off (i.e., the loan and the related allowance for loan losses are removed from the balance sheet).

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

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

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

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

Impaired loans by region

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

Impaired loans by industry sector

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

[1] Includes mainly transportation and other services.

Development of Impaired Loans

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

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

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

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

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

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

Movements in the Allowance for Credit Losses

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

Development of allowance for credit losses

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

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

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

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

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

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

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

Counterparty Credit Risk: Regulatory Assessment

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

We generally apply the advanced internal rating based approach (IRBA) for the majority of our advanced IRBA eligible credit portfolios to calculate the regulatory capital requirements according to the CRR/CRD 4 framework, based on respective approvals received from BaFin. The advanced IRBA is the most sophisticated approach available under the regulatory framework for credit risk allowing us to make use of our internal rating methodologies as well as internal estimates of specific other risk parameters. Moreover, we apply the foundation IRBA for a portion of Postbank's IRBA eligible credit portfolios, for which Postbank received respective BaFin approvals in recent years. Exposures which we do not treat under the advanced or the foundation IRBA are allocated either to "Other IRBA Exposure" or to the "Standardized Approach".

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

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

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

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

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

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

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

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

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

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

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

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

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

Internal Ratings and Probability of Defaults

All internal ratings and scorings are based on a uniform master scale, which assigns each rating or scoring result to the default probability determined for that class.

Internal ratings and their PD ranges

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

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

Advanced IRBA Exposure with Corporates

The table below shows our advanced IRBA exposures with Corporates, including portfolios from Postbank. The presentation excludes counterparty credit risk exposures from derivatives and securities financing transactions (SFT). The exposures are distributed on our internal rating scale, showing also the probability of default (PD) range for each grade. Our internal ratings correspond to the respective external Standard & Poor's rating equivalents. The EAD net is presented in conjunction with exposures-weighted average PD and loss given default (LGD), the RWA and the average risk weight (RW). The information is shown after credit risk mitigation obtained in the form of financial, physical and other collateral as well as guarantees and credit derivatives. The effect of double default, to the extent applicable to exposures outside of Postbank is considered in the average risk weight. It implies that for a guaranteed exposure a loss only occurs if the primary obligor and the guarantor fail to meet their obligations at the same time.

EAD net for Advanced IRBA Credit Exposures by PD Grade with Corporates (excluding derivatives and SFTs)

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

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

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

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

Foundation IRBA Exposure with Corporates

The table below shows our foundation IRBA exposures with Corporates. It excludes counterparty credit risk exposures from derivatives and SFT. The exposure is distributed on our internal rating scale, showing also the PD range for each grade. The internal ratings correspond to the respective external Standard & Poor's rating equivalents. The EAD net is presented in conjunction with risk-weighted assets calculated and the average RW. The information is shown after credit risk mitigation obtained in the form of financial, physical and other collateral as well as guarantees and credit derivatives.

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

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

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

Market Risk

Market Risk of Trading Units excluding Postbank

The table below presents the value-at-risk metrics calculated with a 99 % confidence level and a one-day holding period for our trading units.

Value-at-Risk of our Trading Units by Risk Type

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

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

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

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

Regulatory Trading Market Risk Measures

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

Stressed Value-at-Risk

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

Stressed Value-at-Risk by Risk Type

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

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

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

Incremental Risk Charge

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

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

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

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

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

Comprehensive Risk Measure

For regulatory reporting purposes, the comprehensive risk measure for the respective reporting dates represents the highest of the spot value at the reporting dates, their preceding 12-week average calculation, and the floor, where the floor is equal to 8 % of the equivalent capital charge under the securitization framework. The comprehensive risk measure presented for the reporting dates below is the spot value and the average, maximum and minimum values calculated for the 12-week period ending on these reporting dates.

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

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

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

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

Market Risk Standardized Approach

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

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

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

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

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

Market Risk of Trading Book at Postbank

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

Operational Risk

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

Economic Capital Usage for Operational Risk by Business Division

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

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

Operational Risk Framework Development

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

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

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

Liquidity Risk

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

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

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

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

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

Regular stress test analyses aim to ensure that we always hold sufficient cash and liquid assets to close a potential funding gap which could open under a combined scenario comprising idiosyncratic and market related stress. For this purpose we hold liquidity reserves which comprise available cash and cash equivalents, highly liquid securities (includes government, government guaranteed and agency securities) as well as other unencumbered central bank eligible assets. The volume of the liquidity reserves is a function of the expected stress result, both at an aggregate level as well as at an individual currency level. To the extent we receive incremental short-term wholesale liabilities which attract a high stress roll-off, we largely keep the proceeds of such liabilities in cash or highly liquid securities as a stress mitigant. As such, the total volume of liquidity reserves will fluctuate according to the level of short-term wholesale liabilities held, although this has no material impact on our overall liquidity position under stress. Liquidity reserves include only assets that are freely transferable within the group, or can be applied against local entity stress outflows. These reserves are held across major currencies and key locations in which the bank is active. The vast majority of our liquidity reserves are centrally held at our parent level or at our foreign branches. Size and composition are subject to regular senior management review. The haircuts applied reflect our assumption of the actual liquidity value that could be obtained, primarily through secured funding, and take into account the experience observed in secured funding markets at times of stress.

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

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

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

Capital Management

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

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

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

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

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

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

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

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

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

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

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

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

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

Regulatory Capital

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

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

Summary of Regulatory Capital, RWA and Capital Ratios

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

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

Regulatory Capital, RWA and Capital Ratios

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

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

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

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

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

Reconciliation of shareholders' equity to regulatory capital

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

Development of Risk-weighted Assets

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

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

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

Risk-weighted Assets by Model Approach and Business Division

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

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

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

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

Development of Risk-weighted Assets for Credit Risk

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

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

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

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

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

Development of Risk-weighted Assets for Credit Valuation Adjustment

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

Development of Risk-weighted Assets for Market Risk

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

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

The analysis for market risk covers movements in our internal models for value-at-risk, stressed value-at-risk, incremental risk charge and comprehensive risk measure as well as results from the market risk standardized approach, e.g. for trading securitizations and nth-to-default derivatives or trading exposures for Postbank. The market risk RWA movements due to changes in market data levels, volatilities, correlations, liquidity and ratings are included under the market data changes and recalibrations category. Changes to our market risk RWA internal models, such as methodology enhancements or risk scope extensions, are included in the category of model updates. In the methodology and policy category we reflect regulatory driven changes to our market risk RWA models and calculations. Significant new businesses and disposals would be assigned to the line item acquisition and disposals.

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

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

Development of Risk-weighted Assets for Operational Risk

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

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

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

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

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

Balance Sheet Management

We manage our balance sheet on a Group level and, where applicable, locally in each region. In the allocation of financial resources we favour business portfolios with the highest positive impact on our profitability and shareholder value. We monitor and analyze balance sheet developments and track certain market-observed balance sheet ratios. Based on this we trigger discussion and management action by the Capital and Risk Committee. Following the publication of the CRR/CRD 4 framework on June 27, 2013, we have established a new leverage ratio calculation according to the legally binding framework.

Reconciliation of Exposure Measures used for leverage ratio calculations

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

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

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

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

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

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

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

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

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

Reconciliation of Revised Exposure Measures used for leverage ratio calculations

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

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

Overall Risk Position

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

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

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

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

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

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

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

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

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

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

Internal Capital Adequacy

As the primary measure of our Internal Capital Adequacy Assessment Process (ICAAP) we assess our internal capital adequacy based on our “gone concern approach” as the ratio of our total capital supply divided by our total capital demand as shown in the table below. Our capital supply definition is aligned with the CRR/CRD 4 capital framework.

Internal Capital Adequacy

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

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

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

The above capital adequacy measures apply for the consolidated Group as a whole (including Postbank) and form an integral part of our Risk and Capital Management framework.