Deutsche Bank

Annual Financial Statements and Management Report of Deutsche Bank AG 2017

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Management Report

Operating and Financial Review

Our Organization

Deutsche Bank Group

Deutsche Bank: Our Organization

Headquartered in Frankfurt am Main, Germany, we are the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of € 1,475 billion as of December 31, 2017. As of that date, we employed 97,535 people on a full-time equivalent basis and operated in 60 countries out of 2,425 branches worldwide, of which 65 % were in Germany. We offer a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

As of December 31, 2017 we were organized into the following three corporate divisions:

– Corporate & Investment Bank (CIB)
– Private & Commercial Bank (PCB)
– Deutsche Asset Management (Deutsche AM)

The three corporate divisions are supported by infrastructure functions. In addition, we have a regional management function that covers regional responsibilities worldwide. Prior periods presented throughout this report have been restated in order to reflect our new segmental structure that was announced on March 5, 2017. In line with our targets originally announced, from 2017 onwards, Non-Core Operations Unit (NCOU) ceased to exist as a separate corporate division of the Group.

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

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

For Deutsche Bank AG, the most important branches besides our operations in Germany are located in London, New York, Cayman Islands and Singapore. These branches are mainly providing services in the Corporate & Investment Bank and Wealth Management divisions.

Please see below for an overview on our corporate divisions.

Corporate & Investment Bank (CIB)

Corporate Division Overview

Our Corporate & Investment Bank division (CIB) comprises of our FIC Sales & Trading, Equity Sales & Trading, Financing, Origination & Advisory and Global Transaction Banking businesses. The integrated division brings together the wholesale banking expertise, coverage, risk management, and infrastructure across Deutsche Bank into one division. This enables CIB to align resourcing and capital across our client and product perimeter to offer further benefits to the Bank’s priority clients.

Products and Services

The FIC Sales & Trading and Equity Sales & Trading businesses combines sales, trading and structuring of a wide range of financial markets’ products, including bonds, equities and equity-linked products, exchange-traded and over-the-counter derivatives, foreign exchange, money market instruments, and structured products. Coverage of institutional clients is provided by the Institutional Client Group and Equity Sales, while Research provides analysis of markets, products and trading strategies for clients.

All our trading activities are covered by our risk management procedures and controls which are described in detail in the Risk Report.

Corporate Finance is responsible for mergers and acquisitions (M&A) as well as debt and equity advisory and origination. Regional and industry-focused coverage teams ensure the delivery of the entire range of financial products and services to our corporate and institutional clients.

Global Transaction Banking (GTB) is a global provider of cash management, trade finance and securities services, delivering the full range of commercial banking products and services for both corporate clients and financial institutions worldwide

Distribution Channels and Marketing

As part of our strategy, we are re-focusing and optimizing our client coverage model to the benefit of our core clients. We are exiting client relationships where we consider returns to be too low or risks to be too high while also strengthening our client on-boarding and know-your client (KYC) procedures.

Growth in corporate client activity is also expected to create opportunities in the institutional client segment. Overall, Deutsche Bank expects the majority of growth to come primarily from enhancing the returns on the existing resources by more selectively deploying capital to priority clients.

Private & Commercial Bank (PCB)

Corporate Division Overview

The Private & Commercial Bank (PCB) Corporate Division consists of our four Business Units Postbank, Private & Commercial Clients Germany, Private & Commercial Clients International and Wealth Management. PCB services personal and private clients, small and medium-sized corporates and affluent clients and offers a broad range of financial and advisory services from standard retail products to highly sophisticated financial solutions. We follow an omni-channel approach and our clients have various alternatives to access our services and products (branches, advisory centers, mobile networks of independent advisors and online/mobile banking).

Our Corporate Division comprises the following units operating in Deutsche Bank AG:

In our Private & Commercial Clients Germany (PCC Germany) business unit, we also focus on private and commercial clients in Germany and provide a wide range of financial services including complex advisory solutions for our private clients. For small and medium-sized corporate clients, we offer an integrated commercial banking coverage model by collaboration with experts in the Corporate & Investment Bank.

The Private & Commercial Clients International (PCC International) business unit provides banking and other financial services to private, commercial and corporate clients in Europe and India. In Europe, we operate in five major banking markets: Italy, Spain, Belgium, Portugal and Poland. In December 2017, we entered into an agreement to partially sell the retail business in Poland in order to sharpen PCB's focus and to reduce complexity. We will continue to serve foreign currency mortgage retail borrowers in Poland and will also remain present with our Corporate & Investment Bank operations, including Global Transaction Banking.

The Wealth Management (WM) business unit serves wealthy, high-net-worth (HNW) and ultra-high-net-worth (UHNW) individuals and families. We support our clients in planning, managing and investing their wealth, financing their personal and business interests and servicing their institutional and corporate needs. We also provide institutional-like services for sophisticated clients and complement our offerings here by closely collaborating with experts in the Corporate & Investment Bank and in Deutsche Asset Management.

Products and Services

In our home market Germany and internationally, we offer our clients a wide range of financial services from standardized as well as comprehensive services for retail clients, to solutions for demanding clients in Private Banking and Wealth Management, to business and commercial client coverage.

Our Postbank, PCC Germany and PCC International business units provide banking and other financial services to private and commercial clients in Germany, Europe and Asia with some variations in the product offering among countries that are driven by local market, regulatory and customer requirements. Products for our retail and private clients are designed to meet all basic financial needs and to provide them with advisory services. We offer payment and current account services, credit and financing products as well as deposit, investment and insurance products. The product range also includes postal services, which we offer through Postbank, and further non-banking services. Products for our small and medium-sized clients also include specific financing solutions (ranging from start-up financing to structured finance) and midcap related products provided by the Corporate & Investment Bank as part of our mid-cap joint venture in Germany.

In the WM business unit, we support our clients in preserving their wealth by offering wealth structuring, wealth transfer and philanthropy services. We offer customized wealth management and investment solutions including discretionary portfolio management, investment advice as well as currency and deposit services. Furthermore, we provide financing solutions, e.g. real estate, single-stock and aircraft financing. For the client's institutional and corporate needs we offer M&A, pre-IPO, private placements and institutional-like access to structured lending, private and public investment opportunities, trading and hedging in close collaboration with experts in Corporate & Investment Bank.

Distribution Channels and Marketing

We follow an omni-channel approach to optimize accessibility and availability of services for our customers. The expansion of digital capabilities remains a strong focus across all our businesses.

PCC Germany, PCC International and Postbank have similar distribution channels:

– Branches: Within branches, the PCC and Postbank business units generally offer the entire range of products and advice. The branch network is supported by Customer Contact Centers, Call Centers and Self-service Terminals. In Germany, PCC and Postbank offer cash services at more than 10,000 cash points.
– Advisory Centers: The Advisory Centers in PCC Germany represent a connection between the branches and our digital offerings to ensure a holistic service and advice for our private and commercial clients independent of branch opening hours.
– Online and Mobile Banking: Websites of the PCC and Postbank business units offer clients a broad variety of relevant product information and services including interactive tools, tutorials as well as rich media content. We also provide a high performing transaction platform for banking, brokerage and self-services, combined with a highly frequented multi-mobile offering for smartphones and tablets. Moreover, we further invest in improvements in seamless client friendly end-to-end process automation.
– Financial Agents / Third party distributors: The PCC and Postbank business units additionally provide banking products and services through self-employed financial agents as well as through third-party distributors.

Wealth Management has a distinct client coverage:

– Global Coverage/Advisory teams: Our relationship manager / senior advisor teams manage client relationships, provide advice and assist clients to access dedicated WM services and open-architecture products. To ensure holistic service and advice, all wealth management clients have a single point of access, with dedicated teams serving specific client groups.
– Key Client Partners (KCP) / Corporate Finance Partnership (CFP): For qualified ultra-high-net-worth clients, Key Client Partners (KCP) provides institutionalized access to market views and trade ideas with bespoke trading, risk management and hedging solutions from our Global Markets platform as well as innovative non-recourse lending solutions. Corporate Finance Partnership (CFP) acts as trusted partner and strategic advisor for selected group of sophisticated investors / family offices providing seamless access to our global corporate finance franchise.
– Deutsche Oppenheim Family Offices AG (DOAG): Multi-family offices services including discretionary portfolio management, strategic asset allocation, "Family Office Strategy" funds, family office consulting, third-party manager selection, reporting & controlling as well as real estate and private equity investments.

Deutsche Asset Management (Deutsche AM)

Corporate Division Overview

With over € 700 billion of invested assets as of December 31, 2017, Deutsche AM is one of the world's leading investment management organizations, bringing access to the world's financial markets and delivering solutions to clients around the globe. Deutsche AM aims to provide sustainable financial futures for all its clients: individual investors and the institutions that serve them.

Deutsche AM remains a core business for Deutsche Bank. Since the announcement in March 2017 that we intend to pursue a partial initial public offering of Deutsche AM, we have made considerable progress towards this goal. The rationale for the partial IPO is to unlock the potential of the business by fostering greater autonomy. As a standalone asset manager, we will introduce the DWS brand for our global business and enhance our external profile. The integration of our infrastructure partners will enable us to achieve further operating efficiencies across the platform, including process improvements to reduce costs and enhance the client experience.

Products and Services

Deutsche AM's investment capabilities span both active and passive strategies across a diverse array of asset classes and liquidity spectrum including equities, fixed income, liquidity, real estate, infrastructure, private equity and sustainable investments. We offer these capabilities through a variety of wrappers including ETFs, Mutual Funds, and Separately Managed Accounts. Deutsche AM delivers alpha and beta solutions to address the longevity, liability and liquidity needs of clients, leveraging intelligence and technology.

Non-Core Operations Unit Corporate Division (NCOU)

Pursuant to our targets originally announced in October 2015, NCOU has successfully executed its de-risking strategy and reduced the portfolio in size to achieve the year-end target to less than € 10 billion RWA. In carrying out this mandate, NCOU has actively focused on initiatives which delivered efficient capital contribution and de-leveraging results, thereby enabling the Bank to strengthen our fully loaded Common Equity Tier 1 ratio. As a result, the NCOU has ceased to exist as a standalone division from 2017 onwards.

The remaining legacy assets had a Group Balance Sheet value of approximately € 6 billion as of 31 December 2016, which have been managed by the corresponding Core operating segments, predominately CIB and PCB since 2017.

Infrastructure

The infrastructure functions perform control and service functions and, in particular, tasks relating to Group-wide, supra-divisional resource-planning, steering and control, as well as tasks relating to risk, liquidity and capital management.

The infrastructure functions are organized into the following areas of responsibility of our senior management:

– Chairman: Management Board, Communications, CSR, Group Audit, Corporate Strategy, Research and Group Incident & Investigation Management
– Chief Financial Officer: Group and Regional Finance including Cost Operations, Group Tax, Group Treasury, Investor Relations, Corporate M&A and Investments, Group Management Consulting, Planning and Performance Management and Finance Change & Administration.
– Chief Risk Officer: Credit Risk, Market Risk, Liquidity Risk, Enterprise Risk, Business aligned Risk management, Regional Risk management, Non Financial Risk and Corporate Insurance
– Chief Regulatory Officer: Group Regulatory Affairs, Government and Public Affairs, Compliance and Anti-Financial Crime
– Chief Administrative Officer: Legal including Data Protection, Global Governance and Human Resources including Corporate Executive Matters
– Chief Operating Officer: Chief Information Officer, Technology and Operations, Digital Transformation, Corporate Services, Chief Security Officer and Chief Data Officer

All expenses and revenues incurred within the infrastructure functions and areas are fully allocated to our three corporate divisions.

From 2018 onwards, Corporate Center Overhead Costs (“Shareholder Expenses”) will not be allocated to businesses anymore, but will be kept centrally and reported under Consolidation & Adjustments (C&A), which will in this context be renamed to “Corporate”.

The bank decided in 2017 to move certain infrastructure employees to the divisions they provide service for in order to increase overall effectiveness and collaboration. This helped to increase the business divisions’ responsibility and autonomy with respect to their organizational and process-related decisions and led to a significant increase of the number of employees associated with the business divisions compared to 2016 – in particular in the Corporate and Investment Bank as well as in Deutsche Asset Management. Independent Control Functions generally remained in central areas.

Economic Environment

Executive Summary

The Global Economy

Economic growth (in %)[1]	2017[2]	2016	Main driver
Global Economy	**3.8**	3.2	Global economic growth and global trade with strong momentum. The global economy surprised to the upside despite gradual tightening of monetary policy.
Thereof:			
Industrialized countries	2.2	1.6	The global momentum plus market-friendly results of European elections pushed growth in industrialized countries.
Emerging markets	4.9	4.3	Emerging markets benefitted from higher crude oil prices and the strong Asian economies.
Eurozone Economy	**2.5**	1.8	Results of European elections impacted markets positively. Both consumption and investment activity lifted economic growth, in particular in the second half of the year.
Thereof: German economy	2.2	1.9	The German economy also surprised to the upside, almost solely driven by the domestic economy. A very tight labor market, an expansionary monetary policy and additional fiscal stimuli led to growth above trend.
U.S. Economy	**2.3**	1.5	The U.S. economy performed almost as expected. The key driver of the U.S. economy remains consumer spending backed by a well-functioning labor market.
Japanese Economy	**1.8**	0.9	The Japanese economy had a balanced growth mix, where both the domestic and foreign sector contributed to GDP growth.
Asian Economy[3]	**6.1**	6.2	Strengthening intra-Asian trade is a key driver of the growth. Emerging markets Asia remains the global powerhouse in terms of GDP growth.
Thereof: Chinese Economy	6.9	6.7	The Chinese economy expanded slightly stronger than expected. Risks from the overvalued real estate sector did not materialize.

1 Annual Real GDP Growth (% YoY). Sources: National Authorities unless stated otherwise.
2 Sources: Deutsche Bank Research.
3 Including China, India, Indonesia, Republic of Korea, and Taiwan, ex Japan.

The Banking Industry

Lending to the private sector in the Eurozone saw greater divergence in 2017. On the one hand, the outstanding corporate lending volumes continued to stagnate, as they have since summer of 2014, with increased purchases of distressed debt portfolios and further robust issuance of corporate bonds also playing a role. On the other hand, lending to households rose for a third consecutive year to reach 3.4 % year on year, its highest level since 2011. The outstanding volume set a new record of € 5.6 trillion. In particular, consumer lending gained pace significantly as the year progressed. The high growth in deposits, up 4.1 % year on year, continued more or less unabated despite zero interest rates. The loan-to-deposit ratio in the private sector business declined further over the course of the year, dropping from 107 % to 105 %. Corporate deposits expanded by 6.6 %, twice the rate of household deposits of 3.3 % in 2017.

Contrasting with developments in the Eurozone as a whole, corporate lending activity in Germany saw another strong upswing in the past year. After stagnating as recently as two years ago, the growth rate doubled to 4.7 % year on year in 2017. There was simultaneously a considerable decline in corporate bond issuance. Lending to households again expanded at a quicker pace, accelerating to 3.4 %, with the mortgage sector remaining the primary growth driver (+4.3 %). On the funding side, the banks once again saw a significant rise in deposits (+4.4 %) despite further cuts in interest rates, which were negative for corporates and effectively zero for households – both record lows. Growth in corporate deposits outpaced that of retail deposits, as has been the case for many years. The ratio of corporate deposits to overall private sector deposits has increased from 14.5 % to over 20 % in the last 15 years.

In the U.S., lending activity stabilized at a low level following the dramatic slowdown at the end of 2016/ beginning of 2017. The outstanding corporate lending volume rose by 3.6 % compared to 8.4 % in 2016, while lending to private households saw growth of 3.1 %, in 2016 4.7 %. For corporate lending, the decisive factor was commercial real estate lending with 5.8 % year on year, while traditional corporate loans in the narrower sense saw growth of just 1.5 %. Where lending to private households is concerned, growth in consumer loans of 5.1 % outpaced that of mortgage lending of 3.8 %, while there were declines in home equity loans of 6.8 %. On the deposit side, the rate of expansion slowed moderately to 4.2 % in 2017, almost exactly level with the overall growth in lending activity. As a result, there was no net change in the U.S. banks' sizable excess of liabilities.

In Japan, the rate of growth in the deposit business slowed considerably in 2017 to 3.6 % year on year, although the figure remained slightly ahead of growth in the lending business which was up 2.5 % as against 2016.

In China, lending to households began to slow somewhat recently following extraordinary growth in the past year-and-a-half. Growth for the full year amounted to 21 % compared to 23 % in 2016. By contrast, the rate of expansion in corporate lending rose from 8 % to 12 % year on year. Since the growth in deposits slowed considerably to less than 8 % and could no longer keep pace with the increase in lending activity, the loan-to-deposit ratio continued to edge toward the 100 % mark (climbing from 86 % to 92.5 % over the course of the year). Overall, at almost 150 % of GDP, bank lending to the private sector in China has reached an extraordinarily high level. By means of comparison, the figure for Germany is roughly half this.

Deutsche Bank Performance

Deutsche Bank AG is the parent company of Deutsche Bank Group and is its most material component. The management of Deutsche Bank Group is based on IFRS and Group divisions rather than individual group companies. Deutsche Bank AG is fully integrated in the initiatives and target setting of Deutsche Bank Group. The performance of the Group is ultimately driving the performance of Deutsche Bank AG. As the bank has utilized the option under Section 2a of the German Banking Act (KWG) with respect to the regulatory capital, and therefore regulatory capital ratios are only applicable on Group level. We therefore discuss the overall performance based on group financial data.

In 2017, Deutsche Bank generated income before income taxes of € 1.2 billion. The result reflects lower noninterest expenses compared to 2016 and was impacted by significant revenue headwinds. A one-time tax charge of € 1.4 billion as a result of the U.S. tax reform led to a net loss of € 0.7 billion. During the year, we successfully resolved a number of legacy litigation matters and continued to invest in control improvements. We made tangible progress in executing on technology and business strategic initiatives. In addition, we maintained a high level of liquidity and capital which was supported by a successfully executed capital raise in April 2017 and by prudent balance sheet management.

Group Key Performance Indicators

Group Key Performance Indicators	Status end of 2017	Status end of 2016
Net revenues	€ 26.4 bn	€ 30.0 bn
Income (loss) before income taxes	€ 1.2 bn	€ (0.8) bn
Net income (loss)	€ (0.7) bn	€ (1.4) bn
Post-tax return on average tangible shareholders' equity[1]	(1.4) %	(2.7) %
Post-tax return on average shareholders' equity[1]	(1.2) %	(2.3) %
Adjusted costs[2]	€ 23.9 bn	€ 24.7 bn
Cost/income ratio[3]	93.4 %	98.1 %
Risk-weighted assets (RWA)[4]	€ 344.2 bn	€ 357.5 bn
CRR/CRD 4 fully loaded Common Equity Tier 1 ratio[5]	14.0 %	11.8 %
Fully loaded CRR/CRD 4 leverage ratio[6]	3.8 %	3.5 %

1 Based on Net Income attributable to Deutsche Bank shareholders and additional equity components. For further information, please refer to “Supplementary Information: Non-GAAP Financial Measures” of this report.
2 Total noninterest expenses excluding impairment of goodwill and other intangible assets, litigation, policyholder benefits and claims and restructuring and severances For further information, please refer to “Supplementary Information: Non-GAAP Financial Measures” of the report.
3 Total noninterest expenses as a percentage of total net interest income before provision for credit losses plus noninterest income.
4 Risk-weighted assets and capital ratios are based upon CRR/CRD 4 fully-loaded.
5 The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents our calculation of our Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4. Further detail on the calculation of this ratio is provided in the Risk Report.
6 Further detail on the calculation of this ratio is provided in the Risk Report.

Net revenues in 2017 were € 26.4 billion, a decline of € 3.6 billion, or 12 % from 2016. The decline principally reflected the impact of challenging market conditions and strategic business disposals. It included the negative impact of € 348 million from Debt Valuation Adjustments (DVA), € 213 million from Currency Translation Adjustment (CTA) realization on disposals, € 164 million related to the tightening of our own credit spreads and € 157 million related to a partial sale of the retail business in Poland in 2017. Additionally, revenues in 2017 declined as 2016 included a revenue contribution of € 618 million from Hua Xia Bank Co. Ltd., € 161 million from Private Client Services (PCS) as well as € 537 million from Abbey Life, which were sold in 2016. Excluding these effects, our net revenues were lower by 5 %, as compared to 2016. Revenues in Corporate & Investment Bank (CIB) were impacted by higher funding costs, a consistently low level of volatility, subdued client activity, as well as client and perimeter adjustments in Global Transaction Banking (GTB). Revenues in Private & Commercial Bank (PCB) declined, primarily from the impact of business disposals and pressure on deposit revenues from the low interest rate environment. The decline was partly offset by growth in revenues from loans and investment products and positive impacts from workout activities in Sal. Oppenheim. Revenues in Deutsche Asset Management (Deutsche AM) decreased significantly as compared to 2016, primarily related to the non-recurrence of revenues from Abbey Life which was sold at the end of 2016, proceeds on the sale of Deutsche AM India and a write-up related to Heta Asset Resolution AG (HETA), both recorded in 2016.

Noninterest expenses in 2017 were € 24.7 billion, a decrease of € 4.8 billion or 16 %, from 2016. The reduction was mainly driven by lower litigation expenses, lower impairment of goodwill and other intangible assets and the absence of policy-holder benefits and claims related to Abbey Life. Partly offsetting were higher accruals for variable compensation due to a return to a normalized variable compensation framework in 2017.

Adjusted costs in 2017 were € 23.9 billion as compared to € 24.7 billion in 2016, a decrease of € 843 million or 3%. The improvement was primarily driven by lower legal fees, reduced costs for external advice and the wind-down of NCOU, partly offset by the aforementioned higher accruals for variable compensation.

Income before income taxes was € 1.2 billion in 2017 compared to a loss before income taxes of € 810 million in 2016. The improvement of € 2.0 billion was mainly driven by significantly lower impairment of goodwill and other intangible assets as well as significantly lower litigation charges.

Income tax expense was € 2.0 billion in 2017, including the aforementioned one-time tax charge of € 1.4 billion attributable to the re-measurement of U.S. Deferred Tax Assets as a result of the U.S. tax reform.

We reported a net loss of € 735 million in 2017, driven by the aforementioned one-time tax charge, as compared to a net loss of € 1.4 billion in 2016.

Our CRR/CRD 4 fully loaded Common Equity Tier 1 (CET1) ratio was 14.0 % at the end of 2017, up from 11.8 % at the end of 2016, resulting from proceeds of the capital raise in April 2017. The phase-in CET 1 ratio at the year-end 2017 was 14.8 %.

Executive Summary for Deutsche Bank AG

In 2017, Deutsche Bank AG recorded a net income of € 644 million after net income of € 282 million in 2016. This increase was the result of a number of large but partly offsetting developments. A decrease in operating profit by € 2.1 billion was offset by an increase of other income/expenses including restructuring expenses by € 2.1 billion. Lower additions to the fund for general banking risks by € 200 million and a decrease of tax expenses by € 222 million led to the improvement in net income by € 362 million.

The decrease in the operating profit in 2017 by € 2.1 billion compared to 2016 was mainly driven by lower revenues, down by € 1.5 billion, a reduction in net sundry operating expenses by € 867 million and higher risk provisioning, up by € 351 million. This was partly offset by lower administrative expenses including depreciation, reduced by € 608 million.

The negative balance of other ordinary income/expenses improved by € 1.8 billion compared to 2016 to negative € 312 million. The main driver for the decrease of the negative balance was a lower net negative result from value adjustments to and sales of subsidiaries, which improved by € 1.8 billion.

The net extraordinary result related to restructuring and amounted to negative € 64 million (2016: negative € 306 million).

Additions to the fund for general banking risks amounted to € 300 million in 2017 (2016: addition of € 500 million).

Total tax expense amounted to € 254 million in 2017 (2016: € 476 million).

Total assets went down by € 140 billion to € 1,232 billion as of December 31, 2017, mainly due to decreases of positive and negative market values of derivatives in the trading book.

The bank maintained its stable funding and high liquidity base and improved a solid regulatory capital position by raising capital. For further details please refer to the sections liquidity risk and capital adequacy in the risk report.

In 2017, shareholders’ equity (excluding distributable profit) increased by € 8.3 billion to € 53.9 billion, mainly due to a capital increase by € 8.0 billion from the issuance of 687.5 million new common shares in April 2017.

The Management Board and the Supervisory Board will propose to the Annual General Meeting to pay a dividend of 11 € cents per share and to carry forward the remaining distributable profit.

Income Statement

In the table below please find an overview of Deutsche Bank AG’s income statement, which is followed by further information on the individual line items.

Condensed income statement of Deutsche Bank AG

			Change	
in € m.	2017	2016	in € m.	in %
Interest income[1]	11,210	10,927	283	3
Current income[2]	5,659	6,397	(737)	(12)
Total interest income	**16,869**	17,323	(454)	(3)
Interest expenses	8,959	7,336	1,623	22
Net interest income	**7,910**	9,987	(2,077)	(21)
Commission income	7,678	8,256	(578)	(7)
Commission expenses	1,560	1,225	334	27
Net commission income	**6,118**	7,030	(912)	(13)
Net trading result	**2,164**	694	1,470	N/M
thereof release of trading-related special reserve according to Section 340e HGB	0	0	0	N/M
Total revenues	**16,192**	17,711	(1,519)	(9)
Wages and salaries	4,284	4,162	123	3
Compulsory social security contributions[3]	819	1,098	(279)	(25)
Staff expenses	5,103	5,260	(157)	(3)
Other administrative expenses[4]	8,644	9,095	(451)	(5)
Administrative expenses	**13,747**	14,355	(608)	(4)
Balance of other operating income/expenses	**(395)**	471	(867)	N/M
Risk provisioning	**475**	124	351	N/M
Operating profit	**1,574**	3,703	(2,129)	(57)
Balance of other ordinary income/expenses	**(312)**	(2,140)	1,828	(85)
Extraordinary result	**(64)**	(306)	242	(79)
Releases from/(Additions) to the fund for general banking risks	(300)	(500)	200	(40)
Income before taxes	**898**	758	140	19
Taxes	254	476	(222)	(47)
Net income	**644**	282	362	128
Profit carried forward from the previous year	55	165	(111)	(67)
	699	447	252	56
Allocations to revenue reserves	**300**	0	300	N/M
– to other revenue reserves	300	0	300	N/M
Distributable profit	**399**	447	(48)	(11)

N/M - Not meaningful
[1] From lending and money market business, fixed-income securities, government inscribed debt and leasing business.
[2] From equity shares and other variable-yield securities, participating interests, investments in affiliated companies (including profit transfer agreements).
[3] Including expenses for pensions and other employee benefits.
[4] Including depreciation on tangible and intangible assets.

Decrease of net interest income

Net interest income decreased by € 2.1 billion to € 7.9 billion. This was mainly driven by a lower net result from lending and securities less funding cost, down by € 1.3 billion. Income from profit pooling decreased by by € 951 million, whereas other current income went up by € 214 million.

The decrease of the net result from lending and securities of € 1.3 billion was the result of partly offsetting effects. Higher income from lending and money market transactions, up by € 781 million, were more than offset by a decrease in income from bonds and notes (€ 498 million) and higher interest expenses, up by € 1.6 billion.

The increase in other current income by € 214 million was driven by higher income from from equity shares (up € 245 million), while income from shares in affiliated companies and participating interests went down slightly by € 31 million.

Decrease in net commission income

Net commission income of € 6.1 billion was down by € 912 million compared to the previous year. This development was driven by most components of commission income. Lower income from services rendered to group companies, down by € 314 million, and lower fees in the securities business, down by € 148 million, were the most significant drivers.

Significantly higher net trading result

Deutsche Bank AG reported € 2.2 billion net trading result in 2017, up by € 1.5 billion compared to prior year. This increase was mainly driven by gains in securities and only partly offset by losses in foreign exchange translation on non-local functional currency.

Decrease in staff expenses and operating costs

Staff expenses decreased by € 157 million to € 5.1 billion. This was mainly due to a reduction in expenses for pensions and other employee benefits by € 314 million. Partly offsetting, wages and salaries including variable payments were up by € 123 million.

The table below gives a geographical breakdown of our staff (full-time-equivalent).

Staff (full-time equivalents)[1]	Dec 31, 2017	Dec 31, 2016	Change
Germany	11,444	11,840	(396)
Europe excl. Germany	9,461	9,973	(512)
Americas	2,001	2,238	(237)
Africa/Asia/Australia	6,146	6,186	(40)
Total	**29,052**	30,237	(1,185)

[1] Staff (full-time equivalent) = total headcount adjusted proportionately for part time staff, excluding apprentices and interns.

The decrease of headcount in Germany is the largely driven by the restructuring of infrastructure functions, primarily the Chief Operating Office division and Risk. The headcount reduction in Europe excluding Germany is primarily related to the development in the UK: Asset Management functions and CIB related service functions have been moved out of Deutsche Bank AG to subsidiaries. The decrease in the Americas is primarily due to the move of infrastructure staff, e.g. Human Resources, to service companies.

Other administrative expenses (excluding depreciation and amortization on tangible and intangible assets) decreased by € 696 million to € 7.6 billion. This is mainly driven by lower expenses from intercompany charges, down by € 403 million.

Scheduled depreciation and amortization of tangible and intangible assets amounted to € 1.1 billion in 2017 (2016: € 831 million). The increase is mainly attributable to purchased and self-developed software.

Decrease in the net balance of operating income/expenses

The balance of other operating income/expenses changed from positive € 471 million to negative € 395 million. This was mainly driven by increased net interest expenses on staff related provisions (up € 584 million) and the non-recurrence of the € 557 million gain from the merger of an affiliated company in the prior year. In addition, the result from financial instruments in the banking book and currency translation went down by € 256 million. Partly offsetting were lower net litigation-related charges (down by € 872 million).

Higher net risk provisioning

In 2017, total of risk provisioning, consisting of changes in credit related risk provisioning and the net result from securities held in the liquidity reserve, went up by € 351 million to € 475 million. This development was mainly attributable to lower net positive results from securities held in the liquidity reserve, down by € 622 million, partly offset by decreased risk provisioning in the loan business, down by € 271 million. Prior year results from the liquidity reserve included a gain from the sale of shares in Hua Xia Bank Co. Ltd. of € 691 million. Within credit risk provisioning, an impairment of € 424 million on a Group internal receivable was included which was collateralized by deferred tax assets. With the enactment of the new U.S. tax law known as the 'Tax Cuts and Jobs Act" or "TCJA" on December 22, 2017, the value of these deferred tax assets was reduced to reflect the reduction in the U.S. federal statutory tax rate from 35 % to 21 %.

Lower negative net balance of other ordinary income/expenses

The balance of other ordinary income and expenses totaled negative € 312 million (2016: negative € 2.1 billion). This decrease was mainly driven by significantly lower expenses for value adjustments of investments in affiliated companies, down by € 3.0 billion. Partly offsetting were reduced gains from the disposal of shares in affiliated companies, down by € 1.2 billion.

Write-downs and non-scheduled depreciation of tangible and intangible assets amounted to € 34 million in 2017 (2016: € 64 million).

Extraordinary income and expenses

Extraordinary income and expenses net to an extraordinary result of negative € 64 million (2016: Expenses of € 306 million). This change was mainly caused by lower restructuring expenses.

Addition to the fund for general banking risks

The addition to the fund for general banking risks according to Section 340g HGB amounted to € 300 million (2016: addition by € 500 million). The addition reflects the risks as outlined in risks and opportunities section in the management report, in particular those listed under specific considerations for Deutsche Bank AG.

Taxes

In 2017, a tax expense of € 254 million was recorded compared to a tax expense of € 476 million in the prior year. The current year's effective tax rate was primarily driven by expenses that are not deductible for tax purposes and tax exempt income.

Net profit

Deutsche Bank AG recorded in 2017 a net profit of € 644 million after a prior year net income of € 282 million.

This result was strongly impacted by a lower operating profit after risk provisioning, down by € 2.1 billion, which was offset by an increase in net other income / expenses including restructuring expenses, up by € 2.1 billion. The net effect of these changes and lower additions to the fund for general banking risks by € 200 million lead to an improved pre-tax profit, up by € 140 million. Tax expenses reduced by € 222 million to € 254 million. This lead to the overall improvement of the net profit by € 362 million.

Proposed appropriation of profit

After an addition to the revenue reserves of € 300 million, the distributable profit amounted to € 399 million as of December 31, 2017. The Bank will propose to the Annual General Meeting to appropriate this distributable profit for a dividend payment of € 11 cent per share. It will also be proposed to carry forward the remaining distributable profit. Depending on the number of shares outstanding at the record date, the carry forward will amount to € 171 million or more.

Balance Sheet

Total assets of Deutsche Bank AG amounted to € 1,232.2 billion on December 31, 2017. The decrease by € 140.4 billion, or 10.2 %, was mainly related to changes in market values of trading derivatives, primarily related to interest rate and foreign exchange products. Also contributing to the decrease were receivables from customers and from banks, while increased balances with central banks were partly offsetting.

Total credit extended

Total credit extended (excluding reverse repos and securities spot deals) decreased by € 33.5 billion, or 11.2 %, to € 266.2 billion. Credit totaling € 192.7 billion (decrease of € 22.5 billion) was extended to corporate and institutional customers, while loans to Private & Business Clients amounted to € 10.2 billion (down by € 754 million). Loans to banks, which are reported under total credit extended, were down by € 6.3 billion to € 55.2 billion.

The table below gives a break-down of the total credit extended (excluding reverse repos and securities spot deals).

			Change	
in € bn.	Dec 31, 2017	Dec 31, 2016	in € bn.	in %
Claims on customers	**211.1**	238.2	(27.2)	(11.4)
with a residual period of				
up to 5 years[1]	184.8	211.6	(26.8)	(12.7)
over 5 years	26.3	26.6	(0.2)	(0.9)
Loans to banks	**55.2**	61.5	(6.3)	(10.3)
with a residual period of				
up to 5 years[1]	34.0	38.6	(4.6)	(11.9)
over 5 years	21.2	22.9	(1.7)	(7.5)
Total	**266.2**	299.7	(33.5)	(11.2)

[1] Including those repayable on demand and those with an indefinite period.

Receivables from banks (excluding loans) outside trading decreased by € 28.9 billion to € 76.4 billion compared to prior year.

Securities

Our securities portfolio (excluding trading assets) decreased overall, within bonds and other fixed-income securities down by € 5.9 billion to € 38.5 billion and equity shares and other variable-yield securities went down by € 108 million to € 472 million. The reduction in bonds and other fixed-income securities was mainly driven by both maturities and sales of bonds held in the Strategic Liquidity Reserve.

Trading assets

Trading assets amounted to € 601.8 billion. Positive market values of derivatives being the largest component decreased by € 131.2 billion to € 330.6 billion. The decrease was primarily driven by interest-rate derivatives resulting from increased interest rates as well as by foreign exchange rate derivatives resulting from reduced volatility and customer flows.

Investments in affiliated companies

Investments in affiliated companies decreased by € 488 million to € 43.6 billion. Additions of investments in affiliated companies amounted to € 2.9 billion compared to decreases of € 3.4 billion. The decrease was mainly attributable to capital decreases of € 1.3 billion, a negative impact of foreign currency translation of € 1.1 billion and net write – downs of € 677 million. It was mainly offset by capital increases of € 2.6 billion.

Deposits and securitized liabilities

Liabilities to banks decreased by € 36.2 billion to € 216.5 billion. This development was primarily attributable to a decrease in deposits repayable on demand by € 31.3 billion and a decrease in time deposits by € 4.9 billion.

Deposits from bank subsidiaries decreased by € 2.0 billion to € 95.0 billion.

Deposits from customers increased by € 36.9 billion to € 306.8 billion. The main driver of this development was the increase in deposits from corporate and institutional customers, up by € 29.0 billion while deposits from the public sector increased by € 4.4 billion and deposits from retail customers were up € 2.8 billion.

Liabilities in certificate form decreased by € 5.8 billion to € 100.6 billion. Bonds and notes issued decreased by € 9.1 billion partly offset by money market certificates issued, which were up by € 3.5 billion.

Breakdown of the liabilities

			Change	
in € bn.	Dec 31, 2017	Dec 31, 2016	in € bn.	in %
Liabilities to banks	**216.5**	252.8	(36.2)	(14.3)
repayable on demand	96.2	127.5	(31.3)	(24.6)
with agreed period or notice period	120.4	125.3	(4.9)	(3.9)
Liabilities to customers	**306.8**	269.9	36.9	13.7
savings deposits	3.5	3.6	(0.1)	(2.5)
other liabilities				
repayable on demand	201.0	178.8	22.1	12.4
with agreed period or notice period	102.3	87.5	14.8	16.9
Liabilities in certificate form	**100.6**	106.4	(5.8)	(5.4)
bonds and notes issued	90.5	99.6	(9.1)	(9.2)
other liabilities in certificate form	10.1	6.8	3.3	49.3
thereof: money market instruments	9.3	5.8	3.5	60.5

Subordinated liabilities were down by € 393 million to € 12.1 billion.

Trading liabilities

Trading liabilities amounted to € 519.9 billion, down by € 126.7 billion. Negative market values of derivatives being the largest component decreased by € 128.8 billion to € 321.9 billion compared to the prior year. This development was driven by the same reasons as the increase in positive market values.

Instruments for Additional Tier 1 Regulatory Capital

As of December 31, 2017, instruments for Additional Tier 1 regulatory capital amounted to € 4.8 billion compared to € 5.1 billion in the prior year. The reduction is related to FX-effects.

Capital and reserves

Capital and reserves of Deutsche Bank AG (including its distributable profit of € 399 million) amounted to € 54.3 billion, up by € 8.3 billion. The increase is mainly due to a capital increase by € 8.0 billion from the issuance of 687.5 million new common shares in April 2017 as well as the net income of the year. Partly offsetting was the dividend payment of € 392 million.

Consistent with prior years, the Bank has utilized the option available under Section 2a of the German Banking Act (KWG) with respect to its regulatory capital and only calculates this capital base for the Deutsche Bank Group (see page 47).

Outlook

The Global Economy

For 2018, we believe global economic growth will remain robust. We expect global GDP to grow to 3.9 %, slightly above the 2017 growth rate, supported by several industrialized countries achieving and sustaining close to full employment. The improved economic environment should support higher asset prices, especially for commodities. The global inflation rate is forecasted to be 3.3 % in 2018, 0.4 % above the rate in 2017. For industrialized countries, we expect GDP growth to accelerate to 2.2 %, and consumer prices to increase by 1.7 % in 2018. Economic growth in the emerging markets is projected to rise slightly to 4.9 % in 2018 while inflation in emerging markets is expected to rise to 4.3 %, from 3.8 % in 2017.

In the Eurozone, we expect GDP growth to remain at 2.3 %. In 2018, inflation is expected to remain below 2 % as the output gap is shrinking only slowly. German wage agreements could put pressure on prices. However, inflation should remain low in the coming years. We believe the ECB net asset purchase program will end in 2018, and we expect the first ECB policy rate hike by mid-2019. Political risks could arise from the Italian parliamentary elections in March, as Eurosceptic parties remain popular. Following 2017 GDP growth of 2.2 %, we expect the German economy to expand by 2.3 % in 2018, driven almost solely by domestic demand.

In the U.S., economic growth is forecasted to accelerate to 2.9 % in 2018 supported by modest positive impulses for companies and households from the U.S. tax reform as well as the recent adoption of the budget agreement providing for nearly U.S.$ 300 billion in additional discretionary spending in fiscal years 2018 and 2019. This combined with repatriation tax incentives may lead to a pick-up in demand, a tighter labor market with potentially higher wages, and increased investment activity. This could lead to higher inflation, however partially offset by anticipated interest rate hikes by the Federal Reserve in 2018. Accordingly, we expect inflation rate to remain slightly above 2 %, as in 2017.

The growth rate of the Japanese economy is expected to slow to 1.2 %. We expect both the domestic and the external sector to contribute to GDP growth. Inflation should remain essentially flat at 0.4 %. The Bank of Japan is focused on managing the yield curve and we do not expect interest rate adjustments in 2018. In 2018, economic growth in emerging markets is projected to rise slightly to 4.9 %, and in Asia (excluding Japan) to be 6.0 %. Inflation in emerging markets is expected to rise to 4.3 %, from 3.8 % in 2017. In 2018, the Chinese economy is forecasted to slow moderately to 6.3 %, the lowest growth rate since 1990. The slowdown is expected to be driven by government policies encouraging a deleveraging process. The tightening of Chinese monetary, fiscal, and property market policies is expected to continue in 2018. Inflation is expected to increase to 2.7 %.

The uncertainty in our global forecast remains relatively high as the heat-map of global risks is more or less unchanged since 2017. An early recession in the U.S. due to changes in the structure of the yield curve, populist movements in Europe as well as geopolitical risks, particularly in the Middle East could potentially have a substantial adverse effect on our forecasts. Also, with at best a transitional deal in the near term, the risks of the exit of the UK from the European Union (Brexit) might not easily or quickly dissipate. However, if one of these risks materialize, we expect the impact on the economy and the financial markets to be lower than it would have been in previous years, since the higher economic momentum should have a dampening effect. Inflation risks which remained muted for several years have reappeared and represent a significant economic risk. A faster than expected pick-up could surprise markets and lead to a sharp repricing of central bank rate rise expectations, which could be disruptive for risk assets – akin to 2013’s taper tantrum triggered by the Federal Reserve’s communication at the time. In China, the cooling of the housing market due to deleveraging could have an impact on economic growth. We expect some policy easing in mid-2018 to support growth. However, if inflation rises substantially the Chinese economy could slow down and weigh on global growth.

The Banking Industry

For the banking industry, we expect the continuation of synchronous economic growth around the world in 2018, which should result in a favorable environment across all business segments. More importantly, activity levels in the capital markets have recently improved and key metrics like volatility have increased from historically low levels and are expected to continue to normalize in 2018. Additionally, the cycle of substantial regulatory tightening following the financial crisis is largely coming to an end with the conclusion of Basel III framework agreement and the implementation of the Financial Markets Directive (MiFID II) and the revised Payment Services Directive (PSD II) in Europe, and banks are expected to benefit from resulting greater regulatory clarity in 2018. Stability in the regulatory framework will permit more accurate planning with regard to both capital requirements and the economic attractiveness of various business lines. The greatest uncertainty for the industry is likely to stem from policy actions by key central banks that may terminate their asset purchase programs as well as a further normalization of interest rates in the U.S., which likely will have a significant impact on both the capital markets and the credit market. Additionally, the ongoing impact of technology in the banking industry will continue to be a theme in 2018 and beyond that will present both challenges and opportunities.

In the Eurozone, the outlook for higher capital markets revenues and lending growth is favorable, which may largely reflect continued good economic conditions and higher volatility levels in the capital markets. For households, the recent recovery in lending is expected to continue thanks to the favorable outlook for the labor market. In the case of corporates, low interest rates and greater economic growth and confidence will likely support growth in financing both through loans and capital market activities. The greatest near term risk to the Eurozone is a "hard" Brexit in which the UK departs the EU without a transitional or final agreement being reached clarifying the UK's future access to the European single market. Nonetheless, banks will likely see revenue and net income growth in 2018 as a result of the favorable macroeconomic backdrop.

German banks can expect growth in the lending and deposits, both for retail and corporate customers, as well as a continuation of the extremely low credit risk provisions. However, pressure on net interest margins from low interest rates will likely continue in 2018, the impact of which will be partly offset by volume growth.

In the U.S., the expectation is that the favorable business environment for banks will remain. The robust U.S. economy and the potential for further actions to ease regulation on U.S. banks will support ongoing revenue and net income growth in banking, capital markets and asset management. Net interest margins for U.S. banks are expected to benefit from further decisions by the Federal Reserve to raise its benchmark rate, although the extremely low credit risk provisions are also expected to increase moderately.

In Japan, the expected slowdown in economic growth and the end of the extraordinary monetary policy measures could result in lending and deposit growth cooling off. In China, the risks of a private sector debt bubble are expected to increase further, although the government remains steadfast in its willingness and ability to cushion major disruptions.

The Basel Committee's revisions to the modelling approaches for RWA ("Basel III framework agreement") were finalized at the end of 2017. This concluded one of the most significant revisions to regulatory requirements following the financial crisis. In 2018 the focus will shift to the start of an expected multi-year process of implementing the framework into law in the EU. As the process of implementing the Basel III framework begins around the globe, there remains the risk that implementation will differ in across jurisdictions and result in inconsistent impacts across regions.

In Europe, the implications of Brexit should become more clear through the course of 2018, with politicians in the UK and other EU members targeting an agreement on a transitional period by the end of first quarter of 2018 and a draft withdrawal treaty due to be ready for ratification by October. Increased clarity on the future relationship between the UK and other EU members should have a positive effect on banks operating in the region through the removal of uncertainty. At the same time progress should be made towards political agreement on key regulatory items that are outstanding, including updates to CRR, reviews of ESA's and EMIR which should provide further clarity on the regulatory requirements for banks in Europe in the medium term.

The Deutsche Bank

Deutsche Bank AG as the parent company of the Group defines the strategy and planning for the individual Group Divisions. Deutsche Bank participates in the results of the Group Divisions through own activities and profit distribution from subsidiaries. The following outlook encompasses therefore all Group Divisions and is not limited to the parent company. In addition, financial key performance indicators are solely defined on Group level.

The Deutsche Bank Group

In March 2017, we announced an updated strategy that included changes in the bank's business strategy, a capital increase and updates to our financial targets. For adjusted costs, we had set targets for 2018 and 2021, respectively, for which we provide an update in the paragraph for adjusted costs below. Our remaining key performance indicators we aim to achieve in the long-term, consistent with a simpler and safer bank. In 2018, we will continue to execute our strategy and aim to improve profitability and margins. Cost management will continue to be key to our strategy and we intend to intensify our efforts in this respect in 2018.

Our most important key performance indicators are shown in the table below:

Key Performance Indicators

Group Key Performance Indicators	Status end of 2017	Target KPI
CRR/CRD 4 Common Equity Tier 1 capital ratio (fully loaded)[1]	14.0 %	comfortably above 13.0 %
CRR/CRD 4 leverage ratio according to transitional rules (phase-in)[2]	4.1 %	4.5 %
Post-tax Return on Average Tangible Equity[3]	(1.4) %	circa 10.0 %
Adjusted costs[4]	€ 23.9 billion	2018: circa € 22 billion 2021: circa € 21 billion

[1] The CRR/CRD 4 fully loaded Common Equity Tier 1 ratio represents our calculation of our Common Equity Tier 1 ratio without taking into account the transitional provisions of CRR/CRD 4. Further detail on the calculation of this ratio is provided in the Risk Report.
[2] Further detail on the calculation of the CRR/CRD 4 leverage ratio according to transitional rules (phase-in basis) is provided in the Risk Report.
[3] Based on Net Income attributable to Deutsche Bank shareholders. Calculation for year-end 2017 is based on an effective tax rate of 160 % for year ended December 31, 2017. For further information, please refer to "Supplementary Information: Non-GAAP Financial Measures" of the report.
[4] Adjusted costs are noninterest expenses excluding impairment of goodwill and other intangible assets, litigation and restructuring and severance. For further information please refer to "Supplementary Information: Non-GAAP Financial Measures" of the report.

In 2018, we expect slight increases in RWA, notably from operational risk, methodology changes, regulatory inflation and selected business growth. By year-end 2018, our CRR/CRD 4 Common Equity Tier 1 capital ratio (fully loaded) is expected to be above 13 %, and our CRR/CRD 4 leverage ratio (phase-in) to stay above 4 %.

For 2018, we expect revenues to be higher than in 2017. The outlook reflects our expectation of a strong macroeconomic environment as we expect global economies to perform well. We anticipate above trend growth in the U.S. and Eurozone. Prospects of interest rate normalization set the stage for improved revenues. We expect further rate hikes in the U.S., and the ECB net asset purchase program to end in 2018. Market volatility is likely to rise which should allow the return of trading activities in the financial markets back to more normal levels.

We are committed to work towards our target of 10 % Post-tax Return on Average Tangible Equity in a normalized environment and on the basis of the achievement of our cost targets. The successful ongoing implementation of our strategy including critical restructuring of a number of our businesses and the implementation of a cost reduction program remains key to reaching that target. We currently expect a moderate improvement in our Post-tax Return on Average Tangible Equity in 2018, largely reflecting an improved outlook for revenues and expected adjusted cost improvements, despite our expectation that credit costs and litigation expense are likely to increase in 2018, and restructuring costs remain at levels similar to 2017.

In March 2017, we announced an adjusted costs target of circa € 22 billion for 2018 including circa € 900 million of planned cost savings through business disposals. While we made progress on planned disposals, some of them have been delayed or in some cases suspended. As a result, we currently do not expect the planned € 900 million of cost savings to materialize in 2018. Furthermore, we expect higher costs from Brexit and MiFID II implementation in 2018. Additionally, some of the cost synergies we expected to materialize in 2018 from the merger of Postbank into our German banking entity have been delayed as we expect this merger to be completed in the second quarter of 2018. Those savings are now expected to be realized in 2019. Nonetheless, we have been taking additional measures to offset these impacts and also benefit from current foreign currency rates in our reported costs relative to our earlier assumptions. Therefore, we now expect our adjusted costs in 2018 will be circa € 23 billion, which reflects our original € 22 billion target plus the cost impact of the delayed and suspended business disposals. We target a further reduction in our adjusted costs in the years to 2021. This target however depends in part on our ability to execute our aforementioned business disposals successfully and within the planned timeframes.

We target a competitive dividend pay-out ratio for the financial year 2018 and thereafter. These dividend payments are subject to our maintaining sufficient levels of distributable profits under our stand-alone financial statements in accordance with German accounting rules (HGB) for the fiscal year 2018.

By the nature of our business, we are involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, especially in the U.S. Such matters are subject to many uncertainties. While we have resolved a number of important legal matters and made progress on others, we expect the litigation and enforcement environment to remain challenging in the short term. Litigation expenses in 2017 were relatively low as a result of our successful efforts in resolving a number of matters below estimated provisions. For 2018, and with a caveat that forecasting litigation expense is subject to many uncertainties, we expect litigation to be meaningfully higher than in 2017, but well below the elevated levels observed over the past number of years.

Our Business Segments

Corporate & Investment Bank (CIB)

CIB’s objectives are to provide efficient and seamless client coverage for our offering of investment and transaction banking products and services for corporate and institutional clients and thereby generate attractive returns for our shareholders. For 2018, we expect Corporate & Investment Bank revenues to be higher compared to 2017 as the business environment in 2017 was very challenging, with persistently low levels of volatility and sluggish client activity. For 2018, we expect an increase in volatility levels, which should drive higher client activity, thus aiding revenue generation in Sales & Trading. CIB is also focused on reinvigorating its client-led franchise through more effective coverage and has made progress in selectively hiring to capture key opportunities. We remain focused on growing market share in target product and regional segments.

We expect Sales & Trading Fixed Income and Currencies (FIC) revenues to be higher in 2018 compared to 2017, primarily driven by growth in FX, Emerging Markets and Rates revenues. In the beginning of 2018, market volatility surged significantly on the back of concerns over inflation and rising U.S. interest rates. In the past such periods of heightened volatility have led to increased client activity levels in financial markets. Potential divergence in the global interest rates environment (with further increases expected in the U.S.) should further support revenue growth in Rates. We expect Sales & Trading Equity revenues to be higher in 2018 compared to 2017 driven by Equity Derivatives and Prime Finance. Client balances in Prime Finance have recovered to pre-September 2016 levels and are expected to drive revenue growth in 2018, while key hires in our Equity business that were on-boarded in the second half of 2017 are expected to deliver revenue improvements. However, headwinds such as higher funding charges, regulatory pressure, continued pressure on resources and the potential impact of geo-political events are expected to remain as challenges.

Effective in 2018, CIB plans to report revenues related to asset based financing and commercial real estate, previously reported under Financing, under Sales & Trading FIC. Revenues related to other financing activities, in particular revenues related to investment grade lending will be reported in Other products. We expect Financing revenues to be slightly lower year on year due to lower revenues from investment grade lending, while revenues from Commercial Real Estate and asset based financing are expected to be flat. Our financing portfolios should continue to provide steady levels of carry revenues in 2018, however funding charges are expected to remain elevated in the short term.

We expect Origination & Advisory revenues to be higher in 2018 year on year with market fee volumes remaining supportive, though below 2017 peak levels. We expect to grow market share, driven by a recovery in Equity Origination from re-focusing our client coverage as well as higher Advisory revenues, which we also expect to grow, on the back of a significant number of mandates announced in the fourth quarter of 2017, and improved coverage in particular of cross-border M&A transactions.

We expect GTB revenues in 2018 to be slightly higher than 2017. Trade Finance and Securities Services revenues are expected to be higher and Cash Management revenues slightly higher, against a supportive macro-economic backdrop, as well as an increase in interest rates. However, we expect margin pressure to continue.

We remain committed to reduce costs across CIB and to drive platform efficiency while enhancing regulatory compliance, control and conduct. Noninterest expenses for 2018 are expected to be essentially flat, with lower adjusted costs offset by increased non-operating expenses. Litigation continues to be uncertain with respect to both cost and timing. For 2018, currently we expect RWA in CIB to be essentially flat, as reductions in business assets (including the legacy portfolio) will partly offset pressure from methodology changes and higher Operational Risk RWA. We will maintain our focus on regulatory compliance, know-your-client (KYC) and client on-boarding process enhancement, system stability and control and conduct.

Risks to our outlook include the impact of the implementation of MiFID II in 2018, potential impacts on our business model from Brexit, the future impact of the Basel III framework agreement and of tax reform in the U.S. Uncertainty around central bank policies and ongoing regulatory developments also pose a risk, while challenges such as event risks and levels of client activity may also impact financial markets. Despite this, we believe that continued execution on the announced strategic priorities will position us favorably to capitalize on future opportunities.

Private & Commercial Bank (PCB)

PCB's goal is to provide its private, corporate and wealth management clients with a comprehensive range of products from standard banking services to individual investment and financing advice, and to drive attractive returns for our shareholders. The product offering is supported by a global network, strong capital market and financing expertise and innovative digital services. In our German businesses, our focus in 2018 will be on integrating our PCC business and Postbank. We are thereby creating the largest private and commercial bank in our German home market with over 20 million customers. PCC International concluded in December 2017 a sale agreement for a large part of our retail banking business in Poland and closing that transaction will be a focus in 2018. Furthermore, we will continue to transform our businesses in our remaining international locations. In Wealth Management, our emphasis will be to further transform and grow our franchise. This includes the implementation of the announced integration of Sal. Oppenheim's private customer business into our German business and the further expansion in important growth markets such as Asia, Americas and EMEA. In addition, we will continue to invest in digital capabilities across all business areas.

Our revenues in 2017 benefited from material specific items, which we do not expect to repeat in the same magnitude in 2018. This effect should be largely offset by growth in commission and fee income, so that we expect reported revenues in 2018 to be essentially flat compared to 2017. Margins in the deposit business will continue to be negatively impacted by the low interest rate environment. However, we assume that we will be able to compensate for this with higher loan revenues, so that net interest income should also remain essentially flat compared to 2017.

We project assets under management to grow slightly in 2018, driven mainly by our growth strategy in key Wealth Management regions. We also assume that our risk-weighted assets will be slightly higher than at the end of 2017 due to our growth strategy in the loan businesses.

In 2018, provision for credit losses is expected to be significantly higher than in 2017, which benefited from specific factors including a material release in Postbank. We also anticipate an increase in line with our growth strategy in the loan businesses, and the introduction of IFRS 9 should increase the volatility of provision for credit losses compared with previous years.

We assume that noninterest expenses in 2018 will be slightly lower than in 2017, which included considerable restructuring expenses for the integration of Postbank. The adjusted cost base should remain essentially flat in 2018. Further savings from initiated restructuring measures are expected to be offset by higher investment costs, in particular for the integration of Postbank, but also for further investments in digitization, the ongoing transformation of PCC International and Wealth Management, as well as inflationary effects.

Uncertainties that could affect our earnings situation in 2018 include slower economic growth in our main operating countries, any further decline in global interest rates and higher-than-expected volatility in the equity and credit markets, which could have a negative impact on our clients' investment activities. The implementation of extended regulatory requirements such as MiFID II and PSD II as well as possible delays in the implementation of our strategic projects could have a negative impact on our revenue and cost base.

Deutsche Asset Management

Deutsche AM remains a core business for Deutsche Bank. Since the announcement in March 2017 that we intend to pursue a partial initial public offering of Deutsche AM, we have made considerable progress towards this goal. The rationale for the partial IPO is to unlock the potential of the business by fostering greater autonomy. As a standalone asset manager, we will introduce the DWS brand for our global business and enhance our external profile. The integration of our infrastructure partners will enable us to achieve further operating efficiencies across the platform, including process improvements to reduce costs and enhance the client experience.

We believe that Deutsche AM’s diverse investment capabilities and pending operational independence position us well to address industry challenges and capture opportunities. In 2018, we anticipate broadly positive equity markets based on global synchronous economic growth, and stable credit markets. Risks are however increasing through elevated valuations, a moderate reduction in monetary policy stimulus and continued political uncertainties. We expect growth in developed economies to remain healthy, while emerging markets continue to grow at a faster rate. These trends are expected to impact investor risk appetite and potentially also management fees and asset flows. By anticipating and responding to investor needs, Deutsche AM aspires to be the investment partner of choice for our global client base.

Over the medium term, the industry’s global assets under management are expected to substantially increase, driven by strong net flows in passive strategies, alternatives and multi-asset solutions, as clients increasingly demand value-for-money, transparency and outcome oriented products. We are optimistic that these industry growth trends will favor our capabilities in passive products, alternative investments, next generation active products and multi-asset solutions, product areas where we believe we can grow market share. Our digital capabilities are also opening new channels for us to distribute products and services. However, we expect bottom line results to be challenged by fee compression, rising costs of regulation and competitive dynamics. In the face of this challenge, we intend to focus our growth initiatives on products and services where we can differentiate, while also maintaining a disciplined cost base.

In 2018, we intend to undertake selective investments in client coverage and product and digital capabilities. This is coupled with the anticipated efficiency gains from an operating platform review primarily across the business support organization with the aim of simplifying business operations to enhance client service, business controls and efficiency.

In 2018, we expect revenues to be slightly lower than 2017, largely attributable to significantly lower performance and transaction fees reflecting the periodic nature of fund performance fees recognition and significantly lower other revenues driven by non-recurrence of the insurance recovery and the impact from disposal activity which took place in 2017. For the full year 2018, we expect slightly higher assets under management, driven by net inflows and favorable market outlook. Within 2018, we expect net flows, especially for cash and insurance related products, to remain volatile. In addition, we anticipate net outflows driven by the recently implemented US tax reform. Management fees are expected to be essentially flat driven by net inflows and stronger performance partly offset by margin compression. Deutsche AM intends to carefully manage its cost base with efficiency measures offsetting growth initiatives. The impact from disposals of non-strategic business in 2017 as well as significant decrease in separation costs are expected to result in slightly lower adjusted costs.

Risks to our outlook include the pace of global net flows growth, equity market development, currency movements, interest rates, exposure to global macroeconomic growth and the political developments including Brexit, and continued political uncertainty worldwide. In addition, unforeseen regulatory costs and possible delays in the implementation of our efficiency measures due to jurisdictional restrictions could have an adverse impact on our cost base.

Risks and Opportunities

We have reflected in our Outlook risks and opportunities that we believe are likely to occur. The following section focuses on future trends or events that may result in downside risk or upside potential from what we have anticipated in our Outlook.

Our aspirations are subject to various external and internal factors. In particular, timely and complete achievement of our strategic aspirations may be adversely impacted by the reduced revenue-generating capacities of some of our core businesses in the current challenging macro-economic and market environment, the ongoing headwinds posed by regulatory reforms and/or the effects on us of our legal and regulatory proceedings.

Risks

Macro-economic and market conditions

If growth prospects, the interest rate environment and competition in the financial services industry worsen compared to the expectation in our Outlook, this could adversely affect our business, results of operations or strategic plans.

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

The overall macro-economic impact of the United Kingdom's decision to leave the European Union, which will depend on Europe's political response to Brexit, is difficult to predict. In general, we expect a prolonged period of uncertainty regarding the UK's future status with the EU. Therefore, weaker investment and thereby slower economic growth are expected to persist during the UK exit negotiations. As a consequence, we will closely monitor the developments and their impact on our business and operating model. This may potentially require taking impairments on assets.

We may be required to take impairments on our exposure to the sovereign debt of European and other countries if the sovereign debt crisis reignites. The credit default swaps into which we have entered to manage sovereign credit risk may not be available to offset these losses.

Adverse market conditions, unfavorable prices and volatility as well as cautious investor and client sentiment may in the future materially and adversely affect our revenues and profits as well as the timely and complete achievement of our strategic aspirations.

Our ability to achieve our adjusted cost target depends in part on whether we are able to execute our planned business disposals successfully and within the planned timeframes. Such planned disposals may, however, be delayed, or the scope of the assets being divested may change or their execution may be rendered impracticable due to market conditions, negotiations with interested parties and discussions with local regulators.

The direct costs and related business impacts described in this section and in our Outlook, should they be significantly greater than we currently expect, would impact the "available distributable items" (ADI) calculation for Deutsche Bank AG, which forms the basis for payment capacity on our Additional Tier 1 (AT1) securities. If Deutsche Bank AG's stand-alone results in accordance with German accounting rules according to the German Commercial Code (Handelsgesetzbuch, HGB) do not provide sufficient ADI, this would impact our ability to make distributions on our AT1 instruments. This could lead to higher funding costs for us and adversely affect market perceptions of us, with potential adverse effects on our results of operations and financial condition. Such impacts may also put increasing pressure on our capital, liquidity and other regulatory ratios. Also, if we do not report sufficient levels of distributable profits under our stand-alone financial statements in accordance with HGB, this would impact our ability to pay dividends.

A downgrade in our credit rating could affect our funding costs and business activities, although we are unable to predict whether this would be the case or the extent of any such effect.

Regulatory reforms and supervisory reviews

The regulatory reforms enacted and proposed in response to weaknesses in the financial sector together with the increased regulatory scrutiny and discretion will impose material costs on us, create significant uncertainty for us and may adversely affect our business plans as well as our ability to execute our strategic plans. Those changes that require us to maintain increased capital may significantly affect our business model, financial condition and results of operation as well as the competitive environment generally. Other regulatory reforms, such as bank levies, may also materially increase our forecasted operating costs. Regulatory reforms in respect of resolvability or resolution measures may also impact our shareholders and creditors.

Regulators can also impose capital surcharges, for example, as result of the annual Supervisory Review and Evaluation Process (SREP), to reflect the additional risks posed by deficiencies in our control environment. In extreme cases, they can even suspend our permission to operate within their jurisdictions. Furthermore, implementing enhanced controls may result in higher regulatory compliance costs that could offset or exceed efficiency gains. Regulators may disagree with our interpretation of specific regulatory requirements when interpretative matters are discussed as part of our ongoing regulatory dialogue or in the context of supervisory exams. Changes in rule interpretations can have a material impact on the treatment of positions for Pillar 1 regulatory purposes. Similarly, the evolving interpretations of the European Banking Authority (EBA) on the Capital Requirements Regulation can also negatively impact our regulatory capital, leverage or liquidity ratios. For example, on October 6, 2017, the EBA published new interpretative guidance on the treatment of guaranteed fund products which, if determined to be applicable to the full range of guaranteed funds and guaranteed fund saving schemes including the main government sponsored private pension scheme in Germany, could have a material impact on our regulatory capital and leverage ratio.

Legal, tax and regulatory proceedings

We are subject to a number of legal proceedings, tax examinations and regulatory investigations whose outcome is difficult to estimate and which may substantially and adversely affect our planned results of operations, financial condition and reputation. If these matters are resolved on terms that are more adverse to us than we expect, in terms of their costs or necessary changes to our businesses, or if related negative perceptions concerning our business and prospects and related business impacts increase, we may not be able to achieve our strategic objectives or we may be required to change them.

Risk management policies, procedures and methods as well as operational risks

Although we have devoted significant resources to develop our risk management policies, procedures and methods, including with respect to market, credit, liquidity and operational risk, they may not be fully effective in mitigating our risk exposures in all economic market environments or against all types of risk, including risks that we fail to identify or anticipate.

Strategy

If we are unable to implement our strategy successfully, which is also subject to the previously mentioned factors, we may be unable to achieve our financial objectives, or we may incur losses or low profitability or erosion of our capital base, and our financial condition, results of operations and share price may be materially and adversely affected.

Digitization

Digitization offers new competitors such as FinTechs market entry opportunities and we expect our businesses to have an increased need for investment in digital product and process resources to mitigate the risk of a potential loss of market share. In addition, with increasing levels of digitization, cyber attacks could lead to data loss or technology failures, security breaches, unauthorized access, loss or destruction of data or unavailability of services. Any of these events could involve us in litigation or cause us to suffer financial loss, disruption of our business activities, liability to our customers, government intervention or damage to our reputation.

Specific considerations for Deutsche Bank AG

For Deutsche Bank AG as a solo entity reporting under HGB, there are additional risks compared to the Group plan based on IFRS that certain transactions in a given year lead to higher losses or lower profits in a given year than in the Group financial statements. The following items carry significant risk in this respect:

– Potential valuation adjustments of investments in affiliated companies, driven by local economic environment, increased local regulatory requirements, restructuring or changes of share prices of listed investments.
– Increase in long-term provisions, especially pension obligations, despite rises in interest rate levels caused by the discounting with average interest rates according to section 253 par. 2 German Commercial Code.
– Negative valuation adjustments to plan assets, especially in an environment of rising interest rate levels. Due to the above mentioned valuation methodology there might be no offsetting effect from lower pension obligations if interest rates are rising.
– Potential requirement to set up a provision according to German accounting pronouncement IDW RS BFA 3 in case the interest bearing banking book does not generate an interest margin sufficient to cover expected credit risk costs and administrative expenses. A persisting low interest rate environment and the expense of coupons on the AT1 instruments under HGB increase this risk.
– In case AT1 coupons cannot be serviced due to insufficient available distributable items, under HGB in a given year, this could lead to higher funding cost for Deutsche Bank AG.

In addition there is the risk that, other than in the past, profits or retained earnings from affiliated companies do not allow for sufficient dividend payments to cover completely losses recognized in Deutsche Bank AG.

Opportunities

Macro-economic and market conditions

Should economic conditions, such as GDP growth, the interest rate environment and competitive conditions in the financial services industry improve beyond forecasted levels, this could lead to increasing revenues that may only be partially offset by additional costs, thus improving both income before income taxes and cost-income ratio directly and subsequently improving regulatory measures such as CET 1 and leverage ratio.

If market conditions, price levels, volatility and investor sentiment develop better than expected, this may also positively impact our revenues and profits. Similarly, if we experience higher levels of customer demand and market share than anticipated, this may positively affect our results of operations.

Strategy

Our strategy seeks to enable us to become a simpler and more efficient, less risky, better capitalized and better run organization. The implementation of our strategy may create further opportunities if implemented to a greater extent or under more favorable conditions than anticipated. If businesses and processes improve beyond our planning assumptions and cost efficiencies can be realized sooner or to a greater extent than forecasted, this could also positively impact our results of operations.

Brexit

The UK’s exit from the European Union may become a source of competitive advantage for the bank because it will leave Deutsche Bank as one of a handful of globally-relevant EU-based banks offering a full suite of corporate and investment banking products.

Deutsche Bank may be able to benefit from this unique positioning and for this to be a clear competitive differentiator with our clients. Moreover Deutsche Bank’s pre-existing EU based infrastructure may make our clients’ Brexit transition easier than with some of our competitors.

Regulatory change

Regulatory change can also be an opportunity, driving incremental revenue streams and potentially altering the competitive landscape in Deutsche Bank’s favor.

MiFID II, for example, could benefit Deutsche Bank given our high-quality, waterfront research coverage. By comparison, some of our competitors may have to scale back as a result of MiFID II. Some competitors may reduce their footprint or even withdraw from the market. This creates an opportunity to gain market share given Deutsche Bank’s commitment to providing our clients with broad-based but deep product and service coverage.

Digitization

Digitization offers our divisions an opportunity for significant efficiency gains. By investing in digital applications such as digital client self-boarding, front-to-back processes can be automated and the productivity of employees with customer contact can be increased. Digitization will also result in more flexible ways for our customers to take advantage of services and products in the location and time chosen by them. In combination with our high level of expertise in data security, these factors can help us to strengthen our existing market position and gain additional market share.

Specific considerations for Deutsche Bank AG

For Deutsche Bank AG as a solo entity reporting under HGB, there are additional opportunities compared to the Group plan based on IFRS that certain transactions are reported in a more beneficial manner than for the Group under IFRS in a given year.

In addition, there is the possibility that Deutsche Bank AG as parent entity shows higher profits in a given year compared to its contribution to the group net income, based on the profit distribution pattern from affiliated companies.

Risk Report

Risk Management Principles

The diversity of our business model requires us to identify, assess, measure, aggregate and manage our risks, and to allocate our capital among our businesses. Our aim is to help reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout our organization as well as the effective management of our risk, capital and reputational profile. We actively take risks in connection with our business and as such the following principles underpin our risk management framework:

– Risk is taken within a defined risk appetite;
– Every risk taken needs to be approved within the risk management framework;
– Risk taken needs to be adequately compensated; and
– Risk should be continuously monitored and managed.

Employees at all levels are responsible for the management and escalation of risks. We expect employees to exhibit behaviors that support a strong risk culture. To promote this our policies require that behavior assessment is incorporated into our performance assessment and compensation processes. We have communicated the following risk culture behaviors through various communication vehicles:

– Being fully responsible for our risks;
– Being rigorous, forward looking and comprehensive in the assessment of risk;
– Inviting, providing and respecting challenges;
– Trouble shooting collectively; and
– Placing Deutsche Bank and its reputation at the heart of all decisions.

We promote a strong risk culture where employees at all levels are responsible for the management and escalation of risks. We expect employees to exhibit behaviors that support a strong risk culture in line with our Code of Business Con-duct and Ethics. To promote this, our policies require that risk-related behavior is taken into account during our performance assessment and compensation processes. In addition, our Management Board members and senior management frequently communicate the importance of a strong risk culture to support a consistent tone from the top.

In 2017, we also introduced a principles-based assessment of risk culture, in particular focusing on risk awareness, risk ownership and management of risk within risk appetite. Assessment results are incorporated into existing risk reporting, reinforcing the message that risk culture is an integral part of effective day-to-day risk management.

Risk Management Framework

Risk and capital are managed via a framework of principles, organizational structures and measurement and monitoring processes that are closely aligned with the activities of the divisions and business units:

– Core risk management responsibilities are embedded in the Management Board and delegated to senior risk managers and senior risk management committees responsible for execution and oversight.
– We operate a Three Lines of Defense (“3LoD”) risk management model, in which risk, control and reporting responsibilities are defined.
  – The 1st Line of Defense (“1st LoD”) refers to those roles in the bank whose activities generate risks, whether financial or non-financial.
  – The 2nd Line of Defense (“2nd LoD”) refers to the risk type controller roles in the Bank who facilitate the implementation of a sound risk management framework throughout the organization. The 2nd LoD defines the risk appetite and risk management and control standards for their risk type, and independently oversees and challenges the risk taking and risk management activities of the 1st LoD.
  – The 3rd Line of Defense (“3rd LoD”) is Group Audit, which is accountable for providing independent and objective assurance on the adequacy of the design and effectiveness of the systems of internal control and risk management.

– The risk strategy is approved by the Management Board on an annual basis and is defined based on the Group Risk Appetite and the Strategic and Capital Plan in order to align risk, capital and performance targets.
– Cross-risk analysis reviews are conducted across the Group to validate that sound risk management practices and a holistic awareness of risk exist.
– All material risk types, including credit risk, market risk, operational risk, liquidity risk, business risk and reputational risk, are managed via risk management processes. Modeling and measurement approaches for quantifying risk and capital demand are implemented across the material risk types. For more details, refer to section “Risk and Capital Management” for the management processes of our material risks.
– Monitoring, stress testing tools and escalation processes are in place for key capital and liquidity thresholds and metrics.
– Systems, processes and policies are critical components of our risk management capability.
– Recovery and contingency planning provides the escalation path for crisis management and supplies senior management with a set of actions designed to improve the capital and liquidity positions in a stress event.
– Resolution planning is the responsibility of our resolution authority, the Single Resolution Board. It provides a strategy to manage Deutsche Bank in case of default. It is designed to prevent major disruptions to the financial system or the wider economy through maintaining critical services.
– We apply an integrated risk management approach that aims at Group-wide consistency in risk management standards, while allowing for adaptation to local or legal entity specific requirements.

The Risks of Deutsche Bank AG within the Group Network

The impact of the risks on Deutsche Bank AG cannot be isolated from the effects on Deutsche Bank’s other separate legal entities. There are several reasons for this:

– The Group’s internal structure according to Group Divisions follows its customers’ needs. The external legal structure is determined by local legislation and therefore does not necessarily follow the internal structure. For example, local legislation can determine whether the Group’s business in a certain country is conducted by a branch of Deutsche Bank AG or by a separate subsidiary. However, the management has to monitor the risks in the bank’s business – irrespective of whether it is transacted by a branch or a subsidiary.
– Adequate risk monitoring and management requires knowledge of the extent to which the Group’s profit situation depends on the development of certain risk factors, i.e. on the creditworthiness of individual customers or securities issuers or on movements in market prices. The respective exposures therefore need to be analyzed across legal entities. Especially for the credit risk attached to a borrower, it is fairly irrelevant whether the credit exposure to a company is spread over several Group companies or concentrated on Deutsche Bank AG. Separate monitoring of the risk affecting Deutsche Bank AG alone would neglect the potential hazard facing the Group and, indirectly, Deutsche Bank AG – as the parent – if the company became insolvent.
– Individual risk factors are sometimes correlated, and in some cases they are independent of each other. If estimates of the nature and extent of this correlation are available, the Group’s management can greatly reduce the overall risk by diversifying its businesses across customer groups, issuers and countries. The risk correlation is also independent of the Group’s legal and divisional structure. The management can therefore only optimize the risk-mitigating effects of diversification if it manages them Group-wide and across legal entities.

For the reasons mentioned, the identification, monitoring and management of all risks in Deutsche Bank AG are integrated into the Group-wide risk management process. In so far, all amounts provided in this risk report refer to Deutsche Bank Group, if not otherwise specified.

Deutsche Bank AG complies with all legal and regulatory requirements. For a more detailed discussion about the risk management within the Group network see the Group’s risk report in the Group’s Annual Report.

Risk Management Organization

Our operations throughout the world are regulated and supervised by relevant authorities in each of the jurisdictions in which we conduct business. Such regulation focuses on licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organizational and reporting requirements. The European Central Bank (the “ECB”) in connection with the competent authorities of EU countries which joined the Single Supervisory Mechanism via the Joint Supervisory Team act in cooperation as our primary supervisors to monitor our compliance with the German Banking Act and other applicable laws and regulations as well as the CRR/CRD 4 framework and respective implementations into German law.

European banking regulators assess our capacity to assume risk in several ways, which are described in more detail in the section “Regulatory Capital” of this report.

Several layers of management provide cohesive risk governance:

- The Supervisory Board is informed regularly on our risk situation, risk management and risk controlling, as well as on our reputation and material litigation cases. It has formed various committees to handle specific tasks (for a detailed description of these committees, please see the “Corporate Governance Report” under “Management Board and Supervisory Board”, “Standing Committees”).
  - At the meetings of the Risk Committee, the Management Board reports on key risk portfolios, on risk strategy and on matters of special importance due to the risks they entail. It also reports on loans requiring a Supervisory Board resolution pursuant to law or the Articles of Association. The Risk Committee deliberates with the Management Board on issues of the overall risk appetite, aggregate risk position and the risk strategy and supports the Supervisory Board in monitoring the implementation of this strategy.
  - The Integrity Committee, among other responsibilities, monitors the Management Board’s measures that promote the company’s compliance with legal requirements, authorities’ regulations and the company’s own in-house policies. It also reviews the Bank’s Code of Business Conduct and Ethics, and, upon request, supports the Risk Committee in monitoring and analyzing the Bank’s legal and reputational risks.
  - The Audit Committee, among other matters, monitors the effectiveness of the risk management system, particularly the internal control system and the internal audit system.
- The Management Board is responsible for managing Deutsche Bank Group in accordance with the law, the Articles of Association and its Terms of Reference with the objective of creating sustainable value in the interest of the company, thus taking into consideration the interests of the shareholders, employees and other stakeholders. The Management Board is responsible for establishing a proper business organization, encompassing appropriate and effective risk management. The Management Board established the Group Risk Committee (“GRC”) as the central forum for review and decision on material risk and capital-related topics. The GRC generally meets once a week. It has delegated some of its duties to individuals and sub-committees. The GRC and its sub-committees are described in more detail below.

The following functional committees are central to the management of risk at Deutsche Bank:

- The Group Risk Committee (GRC) has various duties and dedicated authority, including approval of new or materially changed risk and capital models, review of risk exposure developments and internal and regulatory Group-wide stress testing results, and monitoring of risk culture across the Group. The GRC also reviews risk resources available to the business divisions and high-level risk portfolios (for example on a country or industry level) and sets related risk appetite targets, for example in the form of limits or thresholds. In addition, the GRC reviews and recommends items for Management Board approval, such as key risk management principles, the Group Recovery Plan and the Contingency Funding Plan, over-arching risk appetite parameters, and recovery and escalation indicators. The GRC also supports the Management Board during Group-wide risk and capital planning processes.

- The Non-Financial Risk Committee (NFRC) oversees, governs and coordinates the management of non-financial risks in Deutsche Bank Group and establishes a cross-risk and holistic perspective of the key non-financial risks of the Group. It is tasked to define the non-financial risk appetite tolerance framework, to monitor and control the non-financial risk operating model and interdependencies between business divisions and control functions and different risk type control functions.
- The Group Reputational Risk Committee (GRRC) is responsible for the oversight, governance and coordination of reputational risk management and provides for an appropriate look-back and a lessons learnt process. It reviews and decides all reputational risk issues escalated by the Regional Reputational Risk Committees ("RRRCs") and RRRC decisions which have been appealed by the business divisions, infrastructure functions or regional management. It provides guidance on Group-wide reputational risk matters, including communication of sensitive topics, to the appropriate levels of Deutsche Bank Group. The RRRCs which are sub-committees of the GRRC, are responsible for the oversight, governance and coordination of the management of reputational risk in the respective regions on behalf of the Management Board.
- The Enterprise Risk Committee (ERC) has been established with a mandate to focus on enterprise-wide risk trends, events and cross-risk portfolios, bringing together risk experts from various risk disciplines. As part of its mandate, the ERC approves the annual country risk portfolio overviews and specified country risk thresholds, establishes product thresholds, reviews risk portfolio concentrations across the Group, monitors group-wide stress tests used for managing the Group's risk appetite, and reviews topics with enterprise-wide risk implications like risk culture.
- The Financial Resource Management Council (FRMC) is an ad-hoc governance body to support the decision-making in a period of anticipated or actual capital or liquidity stress. It is a forum to discuss and recommend mitigating actions, thereby bringing together in one forum the tasks of the former Liquidity Management Committee and the crisis-related tasks previously assigned to the GRC. Specifically, the FRMC is tasked with analyzing the bank's capital and liquidity situation, advising on the capital and liquidity strategy, and making recommendations on specific business level capital and liquidity targets and/or countermeasures that are necessary to successfully execute the strategy. This includes the recommendation whether or not to invoke the Contingency Funding Plan and the right to oversee the execution of related decisions.

Our Chief Risk Officer ("CRO"), who is a member of the Management Board, has Group-wide, supra-divisional responsibility for the management of all credit, market, liquidity and operational risks as well as for the continuing development and enhancement of methods for risk measurement. In addition, the CRO is responsible for monitoring, analyzing and reporting risk on a comprehensive basis.

The CRO has direct management responsibility for the Risk function. Risk management & control duties in the Risk function are generally assigned to specialized risk management units focusing on the management of

- Specific risk types
- Risks within a specific business
- Risks in a specific region.

These specialized risk management units generally handle the following core tasks:

- Foster consistency with the risk appetite set by the GRC within a framework established by the Management Board and applied to Business Divisions;
- Determine and implement risk and capital management policies, procedures and methodologies that are appropriate to the businesses within each division;
- Establish and approve risk limits;
- Conduct periodic portfolio reviews to keep the portfolio of risks within acceptable parameters; and
- Develop and implement risk and capital management infrastructures and systems that are appropriate for each division.

Additionally, Business Aligned Risk Management (BRM) represents the Risk function vis-à-vis specific business areas. The CROs for each business division manage their respective risk portfolio, taking a holistic view of each division to challenge and influence the division's strategy and risk ownership and implement risk appetite.

The specialized risk management functions are complemented by our Enterprise Risk Management (ERM) function, which sets a bank-wide risk management framework seeking to ensure that all risks at the Group and Divisional level are identified, owned and controlled by the functional risk teams within the agreed risk appetite and risk management principles. ERM is responsible for aggregating and analyzing enterprise-wide risk information and reviewing the risk/return profile of portfolios to enable informed strategic decision-making on the Bank's resources. ERM has the mandate to:

– Manage enterprise risk appetite and allocation across businesses and legal entities;
– Integrate and aggregate risks to provide greater enterprise risk transparency to support decision making;
– Commission forward-looking stress tests, and manage Group recovery and resolution plans; and
– Govern and improve the effectiveness of the risk management framework.

The specialized risk management functions and ERM have a reporting line to the CRO.

While operating independently from each other and the business divisions, our Finance and Risk functions have the joint responsibility to quantify and verify the risk that we assume.

The integration of the risk management of our subsidiary Deutsche Postbank AG is promoted through harmonized processes for identifying, assessing, managing, monitoring, and communicating risk, the strategies and procedures for determining and safeguarding risk-bearing capacity, and corresponding internal control procedures. Key features of the joint governance are:

– Functional reporting lines from Postbank Risk Management to Deutsche Bank Risk;
– Participation of voting members from Deutsche Bank from the respective risk functions in Postbank's key risk committees and vice versa for selected key committees; and
– Alignment to key Group risk policies.

The key risk management committees of Postbank are:

– The Bank Risk Committee, which advises Postbank's Management Board with respect to the determination of overall risk appetite and risk and capital allocation;
– The Credit Risk Committee, which is responsible for limit allocation and the definition of an appropriate limit framework;
– The Market Risk Committee, which decides on limit allocations as well as strategic positioning of Postbank's banking and trading book and the management of liquidity risk;
– The Operational Risk Management Committee, which defines the appropriate risk framework as well as the limit allocation for the individual business areas; and
– The Model and Validation Risk Committee, which monitors validation of all rating systems and risk management models.

The Chief Risk Officer of Postbank or senior risk managers of Deutsche Bank are voting members of the committees listed above.

Following the announcement in March 2017 to merge Postbank with the German Private and Business Clients business and as part of the overarching integration project, the Risk division has also commenced the analyses and work on establishing an appropriate Risk function for the planned merged legal entity which will remain connected into to the Group as described above.

Risk Strategy and Appetite

Risk Appetite and Capacity

Risk appetite expresses the aggregate level of risk that we are willing to assume within our risk capacity in order to achieve our business objectives, as defined by a set of minimum quantitative metrics and qualitative statements. Risk capacity is defined as the maximum level of risk we can assume before breaching regulatory constraints and our obligations to stakeholders.

Risk appetite is an integral element in our business planning processes via our Risk Plan and Strategy, to promote the appropriate alignment of risk, capital and performance targets, while at the same time considering risk capacity and appetite constraints from both financial and non-financial risks. Compliance of the plan with our risk appetite and capacity is also tested under stressed market conditions. Top-down risk appetite serves as the limit for risk-taking for the bottom-up planning from the business functions.

The Management Board reviews and approves our risk appetite and capacity on an annual basis, or more frequently in the event of unexpected changes to the risk environment, with the aim of ensuring that they are consistent with our Group's strategy, business and regulatory environment and stakeholders' requirements.

In order to determine our risk appetite and capacity, we set different group level triggers and thresholds on a forward looking basis and define the escalation requirements for further action. We assign risk metrics that are sensitive to the material risks to which we are exposed and which are able to function as key indicators of financial health. In addition to that, we link our risk and recovery management governance framework with the risk appetite framework. In detail, we assess a suite of metrics under stress (CRR/CRD 4 phase-in and fully loaded Common Equity Tier 1 ("CET 1") ratio and Leverage Ratio ("LR"), Internal Capital Adequacy ("ICA") ratio, and Stressed Net Liquidity Position ("SNLP")) within the regularly performed benchmark and more severe group-wide stress tests.

Reports relating to our risk profile as compared to our risk appetite and strategy and our monitoring thereof are presented regularly up to the Management Board. In the event that our desired risk appetite is breached under either normal or stressed scenarios, a predefined escalation governance matrix is applied so these breaches are highlighted to the respective committees. Amendments to the risk appetite and capacity must be approved by the Group Risk Committee or the full Management Board, depending on their significance.

Strategic and Capital Plan

We conduct annually an integrated strategic planning process which lays out the development of our future strategic direction for us as a Group and for our business areas. The strategic plan aims to create a holistic perspective on capital, funding and risk under risk-return considerations. This process translates our long term strategic targets into measurable short- to medium-term financial targets and enables intra-year performance monitoring and management. Thereby we aim to identify growth options by considering the risks involved and the allocation of available capital resources to drive sustainable performance. Risk-specific portfolio strategies complement this framework and allow for an in-depth implementation of the risk strategy on portfolio level, addressing risk specifics including risk concentrations.

The strategic planning process consists of two phases: a top-down target setting and a bottom-up substantiation.

In a first phase – the top-down target setting – our key targets for profit and loss (including revenues and costs), capital supply, capital demand as well as leverage, funding and liquidity are discussed for the group and the key business areas. In this process, the targets for the next five years are based on our global macro-economic outlook and the expected regulatory framework. Subsequently, the targets are approved by the Management Board.

In a second phase, the top-down objectives are substantiated bottom-up by detailed business unit plans, which for the first year consist of a month by month operative plan; years two and three are planned per quarter and years four and five are annual plans. The proposed bottom-up plans are reviewed and challenged by Finance and Risk and are discussed individually with the business heads. Thereby, the specifics of the business are considered and concrete targets decided in line with our strategic direction. The bottom-up plans include targets for key legal entities to review local risk and capitalization levels. Stress tests complement the strategic plan to also consider stressed market conditions.

The resulting Strategic and Capital Plan is presented to the Management Board for discussion and approval. The final plan is presented to the Supervisory Board.

The Strategic and Capital Plan is designed to support our vision of being a leading European bank with a global reach supported by a strong home base in Germany and aims to ensure:

– Balanced risk adjusted performance across business areas and units;
– High risk management standards with focus on risk concentrations;
– Compliance with regulatory requirements;
– Strong capital and liquidity position; and
– Stable funding and liquidity strategy allowing for business planning within the liquidity risk appetite and regulatory requirements.

The Strategic and Capital Planning process allows us to:

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

The specific limits e.g. for regulatory capital demand, economic capital, and leverage exposures are derived from the Strategic and Capital Plan to align risk, capital and performance targets at all relevant levels of the organization.

All externally communicated financial targets are monitored on an ongoing basis in appropriate management committees. Any projected shortfall from targets is discussed together with potential mitigating strategies to ensure that we remain on track to achieve our targets. Amendments to the strategic and capital plan must be approved by the Management Board. Achieving our externally communicated solvency targets ensures that we also comply with the Group Supervisory Review and Evaluation Process (“SREP”) requirements as articulated by our home supervisor. On December 19, 2017, Deutsche Bank was informed by the ECB of its decision regarding prudential minimum capital requirements for 2018, following the results of the 2017 SREP. The decision requires Deutsche Bank to maintain a phase-in CET 1 ratio of at least 10.65 % on a consolidated basis, beginning on January 1, 2018. This CET 1 capital requirement comprises the Pillar 1 minimum capital requirement of 4.50 %, the Pillar 2 requirement (SREP Add-on) of 2.75 %, the phase-in capital conservation buffer of 1.88 %, the countercyclical buffer (currently 0.02 %) and the phase-in G-SII buffer following Deutsche Bank's designation as a global systemically important institution (“G-SII”) of 1.50 %. The new CET 1 capital requirement of 10.65 % for 2018 is higher than the CET 1 capital requirement of 9.51 %, which was applicable to Deutsche Bank in 2017. Correspondingly, 2018 requirements for Deutsche Bank's Tier 1 capital ratio are at 12.15 % and for its total capital ratio at 14.15 %. Also following the results of the 2017 SREP, the ECB communicated to us an individual expectation to hold a further “Pillar 2” CET 1 capital add-on, commonly referred to as the ‘“Pillar 2” guidance’. The capital add-on pursuant to the “Pillar 2” guidance is separate from and in addition to the Pillar 2 requirement. The ECB has stated that it expects banks to meet the “Pillar 2” guidance although it is not legally binding, and failure to meet the “Pillar 2” guidance does not automatically trigger legal action.

Risk Measurement Tools

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

– Risk-Weighted Assets (RWA). RWA form the key factor in determining the bank's regulatory capital adequacy as reflected in the Common Equity Tier 1 capital ratio. RWA are used to set targets for the growth of our businesses and monitored within our management reporting systems. As a general rule, RWA are calculated in accordance with the currently valid CRR/CRD 4 framework, as implemented into German law (where necessary) and used within our forward looking risk and capital planning processes.
– Leverage Ratio Exposure. We calculate our leverage ratio exposure on a fully loaded basis in accordance with Art. 429 of the CRR as per Delegated Regulation (EU) 2015/62 of 10 October 2014 published in the Official Journal of the European Union on January 17, 2015 amending Regulation (EU) No 575/2013. Our total leverage ratio exposure consists of the components Derivatives, Securities Financing Transactions (SFTs), Off-balance sheet exposure and other on-balance sheet exposure (excluding derivatives and SFTs). The leverage exposure for derivatives is calculated by using the regulatory mark-to-market method for derivatives comprising the current replacement cost plus a regulatory defined add-on for the potential future exposure.
– Value-at-risk. We use the value-at-risk approach to derive quantitative measures for our trading book market risks under normal market conditions and by means of the stressed value-at-risk under stressed market conditions. Our respective value-at-risk figures play a role in both internal and external (regulatory) reporting. For a given portfolio, value-at-risk measures the potential future loss (in terms of market value) that, under normal/stressed market conditions, is not expected to be exceeded with a defined confidence level in a defined period. The value-at-risk for a total portfolio represents a measure of our diversified market risk (aggregated, using pre-determined correlations) under normal/stressed market conditions in that portfolio.
– Economic capital. Economic capital measures the amount of capital we need to absorb very severe unexpected losses arising from our exposures. "Very severe" in this context means that economic capital is set at a level to cover with a probability of 99.9 % the aggregated unexpected losses within one year. The quantile used for the calculation of the internal economic capital demand has been changed from 99.98 % in 2016 to 99.9 % in 2017, improving comparability with regulatory capital demand. We calculate economic capital for credit risk, for market risk including trading default risk, for operational risk and for business risk.
– Liquidity. Within the Group, liquidity and funding risks are managed within a cohesive liquidity risk management and governance framework. We apply several tools to measure liquidity risk and evaluate our operational, tactical and strategic liquidity positions. The operational liquidity aims to safeguard our intraday and end of day liquidity position while the tactical ensures we have access to wholesale funding (secured and unsecured). Our strategic liquidity is aimed at ensuring a balanced term liquidity profile and funding diversification, and access to the capital markets. We undertake liquidity stress testing to determine the stressed net liquidity position (SNLP), a key component of our risk appetite framework. This is derived via a quantitative simulation of the bank's funding development under various scenarios. Additionally, we measure our liquidity coverage ratio as defined by Basel Committee and adopted by EBA.

We have a strong commitment to stress testing performed on a regular basis in order to assess the impact of a severe economic downturn on our risk profile and financial position. These exercises complement traditional risk measures and represent an integral part of our strategic and capital planning process. Our stress testing framework comprises regular Group-wide stress tests based on internally defined "Downside Planning" and more severe macroeconomic global downturn scenarios. We include all material risk types into our stress testing exercises. The time-horizon of internal stress tests is generally one year and can be extended to multi-year, if required by the scenario assumptions. Our methodologies undergo regular scrutiny from Deutsche Bank's internal validation team (Global Model Validation and Governance - GMVG) whether they correctly capture the impact of a given stress scenario. These analyses are complemented by portfolio- and country-specific stress tests as well as regulatory requirements, such as annual reverse stress tests and additional stress tests requested by our regulators on group or legal entity level. An example of a regulatory stress test performed in 2017 is the CCAR stress test for the US entity. In 2018, Deutsche Bank will take part in the biannual EBA stress test. Moreover, capital plan stress testing is performed to assess the viability of our capital plan in adverse circumstances and to demonstrate a clear link between risk appetite, business strategy, capital plan and stress testing. An integrated procedure allows us to assess the impact of ad-hoc scenarios that simulate potential imminent financial or geopolitical shocks.

Types of Risk

Deutsche Bank AG is exposed to a variety of risks, amongst them credit, market, operational, liquidity, reputational, model- and business (strategic) risks.

Credit Risk

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which we refer to collectively as “counterparties”) exist, including those claims that we plan to distribute. These transactions are typically part of our non-trading lending activities (such as loans and contingent liabilities) as well as our direct trading activity with clients (such as OTC derivatives). These also include traded bonds and debt securities. Carrying values of equity investments are also disclosed in our Credit Risk section. We manage the respective positions within our market risk and credit risk frameworks.

Based on the annual risk identification and materiality assessment, Credit Risk is grouped into five categories, namely default/ migration risk, country risk, transaction/ settlement risk (exposure risk), mitigation (failure) risk and concentration risk.

Credit risk is measured by credit rating, regulatory and internal capital demand and key credit metrics.

The credit rating is an essential part of the Bank’s underwriting and credit process and builds the basis for risk appetite determination on a counterparty and portfolio level, credit decision and transaction pricing as well the determination of credit risk regulatory capital. Each counterparty must be rated and each rating has to be reviewed at least annually. Ongoing monitoring of counterparties helps keep ratings up-to-date. There must be no credit limit without a credit rating. For each credit rating the appropriate rating approach has to be applied and the derived credit rating has to be established in the relevant systems. Different rating approaches have been established to best reflect the specific characteristics of exposure classes, including central governments and central banks, institutions, corporates and retail. Counterparties in our non-homogenous portfolios are rated by our independent Credit Risk Management function. Country risk related ratings are provided by ERM Risk Research.

Our rating analysis is based on a combination of qualitative and quantitative factors. When rating a counterparty we apply in-house assessment methodologies, scorecards and our 21-grade rating scale for evaluating the credit-worthiness of our counterparties.

Besides the credit rating which is the key credit risk metric we apply for managing our credit portfolio, including transaction approval and the setting of risk appetite, we establish internal limits and credit exposures under these limits. Credit limits set forth maximum credit exposures we are willing to assume over specified periods. In determining the credit limit for a counterparty, we consider the counterparty’s credit quality by reference to our internal credit rating. Credit limits and credit exposures are both measured on a gross and net basis where net is derived by deducting hedges and certain collateral from respective gross figures. For derivatives, we look at current market values and the potential future expo-sure over the relevant time horizon which is based upon our legal agreements with the counterparty. We generally also take into consideration the risk-return characteristics of individual transactions and portfolios. Risk-Return metrics ex-plain the development of client revenues as well as capital consumption. In this regard we also look at the client revenues in relation to the balance sheet consumption.

Market Risk

The vast majority of our businesses are subject to market risk, defined as the potential for change in the market value of our trading and invested positions. Risk can arise from changes in interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and other relevant parameters, such as market volatility and market implied default probabilities.

We assume market risk in both trading and nontrading activities. In accordance with economic and regulatory requirements, we measure market risks by several internally developed key risk metrics and regulatory defined market risk approaches. Value-at-risk, economic capital and Portfolio Stress Testing limits are used for managing all types of market risk at an overall portfolio level. As an additional and complementary tool for managing certain portfolios or risk types, Market Risk Management performs risk analysis and business specific stress testing. Limits are also set on sensitivity and concentration/liquidity, business-level stress testing and event risk scenarios.

One of the primary objectives of Market Risk Management, a part of our independent Risk function, is to ensure that our business units' risk exposure is within the approved appetite commensurate with its defined strategy. Market Risk Management allocates the overall appetite for trading market risks to our Corporate Divisions and individual business units within them based on established and agreed business plans. We also have business aligned heads within Market Risk Management to establish business limits, by allocating the limit down to individual portfolios or geographical regions. Business units are responsible for adhering to the limits against which exposures are monitored and reported. The market risk limits set by Market Risk Management are monitored on a daily, weekly and monthly basis.

Trading Market Risk

Our primary mechanism to manage trading market risk is the application of our Risk Appetite framework of which the limit framework is a key component. Our Management Board, supported by Market Risk Management, sets group-wide value-at-risk, economic capital and portfolio stress testing limits for market risk in the trading book. Market Risk Management allocates this overall appetite to our Corporate Divisions and individual business units within them based on established and agreed business plans. We also have business aligned heads within Market Risk Management who establish business limits, by allocating the limit down to individual portfolios, geographical regions and types of market risks.

Value-at-risk, economic capital and Portfolio Stress Testing limits are used for managing all types of market risk at an overall portfolio level. As an additional and important complementary tool for managing certain portfolios or risk types, Market Risk Management performs risk analysis and business specific stress testing. Limits are also set on sensitivity and concentration/liquidity, exposure, business-level stress testing and event risk scenarios, taking into consideration business plans and the risk vs return assessment.

While value-at-risk, calculated on a daily basis, supplies forecasts for potential large losses under normal market conditions, it is not adequate to measure the tail risks or the potential for extreme loss events of the portfolios. We therefore also perform regular stress tests in which we value our trading portfolios under severe market scenarios not covered by the confidence interval of the value-at-risk model.

We derive the scenarios from historically observed severe shocks in those risk factors, augmented by subjective assessments where only limited historical data are available, or where market developments are viewed to make historical data a poor indicator of possible future market scenarios. Tail risk or the potential for extreme loss events beyond reported value-at risk is captured via stressed value-at-risk, economic capital, incremental risk charge and comprehensive risk measure. It is also captured via stress testing.

These stress tests form the basis of our assessment of the economic capital that we estimate is needed to absorb very severe, unexpected losses arising from our exposures over the period of one year. "Very severe" in this context means that the underlying economic capital is set at a level which covers, with a probability of 99.9 %, all unexpected losses over a one year time horizon.

In December 2011 we received model approvals, from the BaFin, for the stressed value-at-risk, incremental risk charge and comprehensive risk measure models. These are additional methods we use to measure market risk exposures.

– Stressed value-at-risk: calculates a stressed value-at-risk measure based on a continuous one year period of significant market stress.
– Incremental Risk Charge: captures default and credit migration risks in addition to the risks already captured in value-at-risk for credit-sensitive positions in the trading book.
– Comprehensive Risk Measure: captures incremental risk for the correlation trading portfolio calculated using an internal model subject to qualitative minimum requirements as well as stress testing requirements.
– Market Risk Standardized Approach: calculates regulatory capital for trading book securitizations which fall outside the scope of the regulatory correlation trading portfolio, for longevity risk and certain types of investment funds

Nontrading Market Risk

Nontrading market risk arises primarily from outside the activities of our trading units, in our banking book and from certain off-balance sheet items. Significant market risk factors the Group is exposed to and are overseen by risk management groups in that area are:

– Interest rate risk (including risk from embedded optionality and changes in behavioral patterns for certain product types), credit spread risk, foreign exchange risk, equity risk (including investments in public and private equity as well as real estate, infrastructure and fund assets).
– Market risks from off-balance sheet items such as pension schemes and guarantees as well as structural foreign exchange risk and equity compensation risk.

Nontrading market risk economic capital is calculated either by applying the standard traded market risk EC methodology or through the use of non-traded market risk models that are specific to each risk class and which consider, among other factors, historically observed market moves, the liquidity of each asset class, and changes in client's behavior in relation to products with behavioral optionalities.

Operational Risk

Operational Risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes Legal Risk. Operational Risk excludes Business and Reputational Risk. It forms a subset of the Bank's Non-Financial Risks, as does Reputational Risk.

The governance of our operational risks follows the Three Lines of Defence ("3LoD") approach, to protect the Bank, its customers and shareholders against risk losses and resulting reputational damages. It seeks to ensure that all our operational risks are identified and covered, that accountabilities regarding the management of operational risks are clearly assigned and risks are taken on and managed in the best and long term interest of the Bank. The 3LoD approach and its underlying principles, i.e. the full accountability of the First Line of Defence ("1st LoD") to manage its own risks and the existence of an independent Second Line of Defence ("2nd LoD") to oversee and challenge risk taking and risk management, ap-plies to all levels of the organization including the Group-level, regions, countries, and legal entities.

Deutsche Bank's Operational Risk appetite sets out the amount of Operational Risk we are willing to accept as a consequence of doing business. We take on operational risks consciously, both strategically as well as in day-to-day business. While the Bank may have no appetite for certain types of Operational Risk failures (such as serious violations of laws or regulations), in other cases a certain amount of Operational Risk must be accepted if the Bank is to achieve its business objectives. In case a residual risk is assessed to be outside our risk appetite, further risk reducing actions must be under-taken including further remediating risks, insuring risks or ceasing business.

Non-Financial Risk Management ("NFRM") is the Risk function for the Non-Financial Risk types of the Bank, including Operational Risk and owns the overarching Operational Risk Management Framework (ORMF).

The ORMF is a set of interrelated tools and processes that are used to identify, assess, measure, monitor and remediate operational risks. Its components have been designed to operate together to provide a comprehensive approach to managing the Bank's most material operational risks. ORMF components include the setup of the 1st and 2nd LoD as well as roles and responsibilities for the Operational Risk management process and appropriate independent challenge, the Group's approach to setting Operational Risk appetite and adhering to it, the Operational Risk type and control taxonomies, the minimum standards for Operational Risk management processes including tools, independent governance, and the Bank's Operational Risk capital model.

The following four principles form the foundation of Operational Risk management and the Group ORMF at Deutsche Bank:

Operational Risk Principle I: NFRM establishes and maintains the Group Operational Risk Management Framework. As the 2nd LoD control function, NFRM is the independent reviewer and challenger of the 1st LoD's risk and control assessments and risk management activities. As the subject matter expert for Operational Risk it provides independent risk views to facilitate forward looking management of operational risks, actively engages with risk owners and facilitates the implementation of risk management standards across the Bank. NFRM provides the oversight of risk and control mitigation plans to return risk within risk appetite, where required.

Operational Risk Principle II: Risk owners as the 1st LoD have full accountability for their operational risks and have to manage these against a defined risk specific appetite.

Risk owners are those roles in the Bank that generate risks, whether financial or non-financial. The heads of business divisions and infrastructure functions must determine the appropriate organizational structure to identify their organizations'' Operational Risk profile, implement risk management and control standards within their organization, take business decisions on the mitigation or acceptance of operational risks within the risk appetite and establish and maintain risk owner (i.e. Level 1) controls.

Operational Risk Principle III: Risk Type Controllers ("RTCs") as 2nd LoD control functions establish the framework and define risk appetite statements for the specific risk type they control. They monitor the risk type's profile against risk appetite and exercise a veto on risk appetite breaches.

RTCs define risk management and control standards and independently oversee and challenge risk owners' implementation of these standards as well as their risk-taking and management activities. RTCs establish independent Operational Risk governance and prepare aggregated risk type profile reporting. As risk type experts, RTCs define the risk type and its taxonomy and support and facilitate the implementation of risk management standards and processes in the 1st LoD. To maintain their independence, RTC roles are located only in infrastructure functions.

Operational Risk Principle IV: NFRM is to ensure that sufficient capital is held to underpin Operational Risk. NFRM is accountable for the design, implementation and maintenance of the approach to determine a sufficient level of capital demand for Operational Risk for recommendation to the Management Board.

To fulfil this requirement, NFRM is accountable for the calculation and allocation of Operational Risk capital demand and Expected Loss planning under the Advanced Measurement Approach ("AMA"). NFRM is also accountable for the facilitation of the annual Operational Risk capital planning and monthly review process.

Liquidity Risk

Liquidity risk is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. The objective of the Group's liquidity risk management framework is to ensure that the Group can fulfill its payment obligations at all times and can manage liquidity and funding risks with-in its risk appetite. The framework considers relevant and significant drivers of liquidity risk, whether on-balance sheet or off-balance sheet.

In accordance with the ECB's Supervisory Review and Evaluation Process (SREP), Deutsche Bank has implemented an annual Internal Liquidity Adequacy Assessment Process ("ILAAP"), which is reviewed and approved by the Management Board. The ILAAP provides comprehensive documentation of the Bank's Liquidity Risk Management framework, including: identifying the key liquidity and funding risks to which the Group is exposed; describing how these risks are identified, monitored and measured and describing the techniques and resources used to manage and mitigate these risks.

The Management Board defines the liquidity and funding risk strategy for the Bank, as well as the risk appetite, based on recommendations made by the Group Risk Committee ("GRC"). At least annually the Management Board reviews and approves the limits which are applied to the Group to measure and control liquidity risk as well as our long-term funding and issuance plan.

Treasury is mandated to manage the overall liquidity and funding position of the Bank, with Liquidity Risk Management acting as an independent control function, responsible for reviewing the liquidity risk framework, proposing the risk appetite to GRC and the validation of Liquidity Risk models which are developed by Treasury, to measure and manage the Group's liquidity risk profile.

Treasury manages liquidity and funding, in accordance with the Management Board-approved risk appetite across a range of relevant metrics, and implements a number of tools to monitor these and ensure compliance. In addition, Treasury works closely in conjunction with Liquidity Risk Management ("LRM"), and the business, to analyze and understand the underlying liquidity characteristics of the business portfolios. These parties are engaged in regular and frequent dialogue to understand changes in the Bank's position arising from business activities and market circumstances. Dedicated business targets are allocated to ensure the Group operates within its overall liquidity and funding appetite.

The Management Board is informed of performance against the risk appetite metrics, via a weekly Liquidity Dashboard. As part of the annual strategic planning process, we project the development of the key liquidity and funding metrics based on the underlying business plans to ensure that the plan is in compliance with our risk appetite.

Global liquidity stress testing and scenario analysis is one of the key tools for measuring liquidity risk and evaluating the Group's short-term liquidity position within the liquidity framework. It complements the intraday operational liquidity management process and the long-term liquidity strategy, represented by the Funding Matrix.

Business (Strategic) Risk

Strategic Risk is the risk of suffering an operating income shortfall due to lower than expected performance in revenues not compensated by a reduction in costs. Strategic Risk may arise from changes to the competitive landscape or regulatory framework or ineffective positioning in the macroeconomic environment. Strategic Risk could also arise due to a failure to execute strategy and/ or failure to effectively take actions to address underperformance.

A Strategic and Capital plan is developed annually and presented to the Management Board for discussion and approval. The final plan is then presented to the Supervisory Board. During the year, execution of business strategies is regularly monitored to assess the performance against strategic objectives and to seek to ensure we remain on track to achieve targets.

Reputational Risk

Within our risk management process, we define reputational risk as the risk of possible damage to our brand and reputation, and the associated risk to earnings, capital or liquidity, arising from any association, action or inaction which could be perceived by stakeholders to be inappropriate, unethical or inconsistent with Deutsche Bank's values and beliefs.

The Reputational Risk Framework (the Framework) is in place to manage primary reputational risk. It covers the process through which active decisions are taken on matters which may pose a reputational risk, before such risk materializes, and, in doing so, prevent damage to Deutsche Bank's reputation wherever possible. Reputational risks which may arise from a failure with another risk type, control or process (secondary reputational risk) are addressed separately via the associated risk type framework. The Framework is established to provide consistent standards for the identification, assessment and management of reputational risk issues. While every employee has a responsibility to protect our reputation, the primary responsibility for the identification, assessment, management, monitoring and, if necessary, referring or reporting, of reputational risk matters lies with our business divisions. Each employee is under an obligation, within the scope of his or her activities, to be alert to any potential causes of reputational risk and to address them according to the Framework. Reputational Risk Management has designed and implemented a comprehensive look back and lessons learned process in order to assess and control the effectiveness of the Framework, including in relation to reputational risk identification and referral.

If a matter is identified that is considered to pose, at a minimum, a moderate reputational risk then it is required to be referred for further consideration within the business division through its Unit Reputational Risk Assessment Process (Unit RRAP). In the event that a matter is deemed to pose a material reputational risk then it must be referred through to one of the four Regional Reputational Risk Committees (RRRCs) for further review. In addition to the materiality assessment, there are also certain criteria, known as mandatory referral criteria, which are considered inherently higher risk from a reputational perspective and therefore require mandatory referral to defined Subject Matter Experts (SMEs), e.g. Industry Reputational Risk or Group Sustainability, and/or referral to a Unit RRAP or RRRC.

The RRRCs are sub-committees of the Group Reputational Risk Committee (GRRC), which is itself a sub-committee of the Group Risk Committee (GRC), and are responsible for the oversight, governance and coordination of the management of reputational risk in their respective regions of Deutsche Bank on behalf of the Management Board. In exceptional circumstances, matters can also be referred by the RRRCs to the GRRC.

The modelling and quantitative measurement of reputational risk internal capital is implicitly covered in our economic capital framework primarily within operational and strategic risk.

Model Risk

Model risk is the potential for adverse consequences from incorrect or misused model outputs and reports using these outputs. Model risk can lead to financial loss, poor business or strategic decision making, or damage our reputation. The term 'model' refers to a quantitative method, system, or approach that applies statistical, economic, financial, or mathematical theories, techniques, and assumptions to process input data into quantitative estimates.

Model risk is managed across Pricing models, Risk & Capital models, and other models:

– Pricing models are used to generate asset and liability fair value measurements reported in official books and records and/or risk sensitivities which feed Market Risk Management (MRM) processes;
– Risk & Capital models are related to risks used for regulatory or internal capital requirements, e.g. VaR, IMM, Stress tests etc.;
– Other models are those outside of the Bank's Pricing and Risk & Capital models.

Model risk appetite is aligned to the Group's qualitative statements, ensuring that model risk management is embedded in a strong risk culture and that risks are minimized to the extent possible.

The management of model risk includes:

– Performing robust independent model validation that provides effective challenge to the model development process and includes identification of conditions for use, methodological limitations that may require adjustments or overlays, and validation findings that require remediation;
– Establishing a strong model risk management and governance framework, including senior forums for monitoring and escalation of model risk related topics;
– Creating Bank-wide model risk related policies, aligned to regulatory requirements with clear roles and responsibilities for key stakeholders across the model life cycle; and
– Providing an assessment of the model risk control environment and reporting to the Management Board on a periodic basis.

Risk Profile

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

Risk Profile of our Corporate Divisions as measured by Total Economic Capital

							Dec 31,2017
in € m. (unless stated otherwise)	Corporate & Investment Bank	Private & Commercial Bank	Deutsche Asset Management	Non-Core Operations Unit	Consolidation & Adjustments	Total	Total (in %)
Credit Risk	6,519	3,596	62	-	591	10,769	40
Market Risk	4,679	1,386	310	-	4,054	10,428	38
Operational Risk	5,995	932	402	-	0	7,329	27
Business Risk	4,435	10	99	-	1,133	5,677	21
Diversification Benefit[1]	(5,450)	(950)	(264)	-	(410)	(7,074)	(26)
Total EC in € m.	16,178	4,974	609	-	5,368	27,129	100
in %	60	18	2	-	20	100	N/M

N/M – Not meaningful
1 Diversification benefit across credit, market, operational and strategic risk (largest part of business risk).

							Dec 31,2016[1]
in € m. (unless stated otherwise)	CIB	PW&CC	Deutsche AM	NCOU	Cons. & Adj. and Other	Total	Total
Credit Risk	8,185	4,308	62	108	442	13,105	37
Market Risk	5,341	1,712	2,197	332	5,010	14,592	41
Operational Risk	8,330	1,437	561	160	0	10,488	30
Business Risk	4,753	32	100	245	(32)	5,098	14
Diversification Benefit[2]	(6,008)	(1,039)	(441)	(110)	(248)	(7,846)	(22)
Total EC in € m.	20,602	6,449	2,480	735	5,172	35,438	100
in %	58	18	7	2	15	100	N/M

N/M – Not meaningful
1 Amounts allocated to the business segments have been restated to reflect comparatives according to the structure as of December 31, 2016.
2 Diversification benefit across credit, market, operational and strategic risk (largest part of business risk).

Corporate & Investment Bank's (CIB) risk profile is dominated by its trading in support of origination, structuring and market making activities, which gives rise to market risk and credit risk. The vast majority of its credit risk relates to trade finance activities in Global Transaction Banking and corporate finance activities in Financing and Origination & Advisory. The share of the operational risk in CIB's risk profile reflects a high loss profile in the industry combined with internal losses and has increased compared to the year-end 2016. The remainder of CIB's risk profile is derived from business risk reflecting earnings volatility risk. The economic capital usage for business risk increased compared to year-end 2016 mainly due to a higher economic capital usage for the strategic risk component. The quantile change led to a decrease of economic capital in CIB by € 6.3 billion.

Private & Commercial Bank's (PCB) risk profile comprises credit risk from retail, small and medium-sized enterprises lending and wealth management activities as well as nontrading market risk from investment risk, modelling of client deposits and credit spread risk. The economic capital usage for market risk decreased compared to the year-end 2016 mainly due to a lower non-trading market risk component. The quantile change led to a decrease of economic capital in PCB by € 1.8 billion.

The main risk driver of Deutsche Asset Management's (Deutsche AM) business are guarantees on investment funds, which we report as nontrading market risk. Otherwise Deutsche AM's advisory and commission focused business attracts primarily operational risk. The economic capital usage for market risk decreased compared to the year-end 2016 mainly due to a lower nontrading market risk component resulting from the application of a new methodology to measure guar-anteed funds risk. The quantile change led to a decrease of economic capital in Deutsche AM by € 469 million.

The Non-Core Operations Unit (NCOU) portfolio included activities that are non-core to the Bank's future strategy; assets earmarked for de-risking; assets suitable for separation; assets with significant capital absorption but low returns; and assets exposed to legal risks. NCOU's risk profile covered risks across the entire range of our operations. The economic capital usage across all risk types decreased throughout 2016 mainly due to general wind-down of non-strategic assets. The NCOU was dissolved as of the beginning of 2017 and its assets were reallocated to the other segments.

Consolidation & Adjustments mainly comprises nontrading market risk for structural foreign exchange risk, pension risk and equity compensation risk. The economic capital usage for market risk and tax risk as part of business risk increased compared to the year-end 2016. The quantile change led to a decrease of economic capital in Consolidation & Adjustments by € 1.8 billion.

Credit Risk

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

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

Although considered in the monitoring of maximum credit exposures, the following are not included in the details of our main credit exposure: brokerage and securities related receivables, cash and central bank balances, interbank balances (without central banks), assets held for sale, accrued interest receivables, traditional securitization positions as well as equity investments.

Main Credit Exposure Categories by Business Divisions

	Dec 31, 2017								
in € m.	Loans[1]	Irrevocable lending commit-ments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style transactions[5]	Total
Corporate & Investment Bank	137,954	141,892	45,342	30,993	10,875	83,067	2,667	99,335	552,125
Private & Commercial Bank	267,554	16,201	2,802	422	1	0	14,421	835	302,235
Deutsche Asset Management	87	53	16	0	0	67	39	0	262
Non-Core Operations Unit									
Consolidation & Adjustments	26	107	52	15	0	4,130	31,124	4,630	40,084
Total	405,621	158,253	48,212	31,430	10,876	87,264	48,251	104,800	894,707

1 Includes impaired loans amounting to € 6.2 billion as of December 31, 2017.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.1 billion as of December 31, 2017.
3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4 Includes debt securities on financial assets available for sale and securities held to maturity.
5 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

	Dec 31, 2016								
in € m.	Loans[1]	Irrevocable lending commit-ments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities	Repo and repo-style transactions[4]	Total
Corporate & Investment Bank	145,187	148,599	48,778	43,230	12,996	72,342	3,568	98,135	572,835
Private & Commercial Bank	264,385	16,976	2,985	737	0	1	17,360	4,290	306,734
Deutsche Asset Management	343	55	21	27	6	2,569	26	0	3,047
Non-Core Operations Unit	3,133	131	434	175	191	257	0	34	4,355
Consolidation & Adjustments	407	302	123	24	0	6,124	33,768	2,450	43,197
Total	413,455	166,063	52,341	44,193	13,193	81,293	54,722	104,909	930,169

1 Includes impaired loans amounting to € 7.4 billion as of December 31, 2016.
2 Includes irrevocable lending commitments related to consumer credit exposure of € 10.3 billion as of December 31, 2016.
3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.
4 Includes debt securities on financial assets available for sale and securities held to maturity.
5 Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

As part of our resegmentation in 2017, Global Markets along with Corporate & Investment Banking were merged together to form Corporate & Investment Bank as a new business segment. Similarly, Private, Wealth and Commercial Clients along with Postbank were merged together to form Private & Commercial Bank. The divisional balances for 2017 and comparative balances for 2016 have been allocated as per the new segmentation. The activities of the Non-Core Operations Unit, including a total credit exposure of € 4.4 billion as of December 31, 2016 were moved to Private & Commercial Bank and Corporate & Investment Bank, in the beginning of 2017.

Our main credit exposure decreased by € 35.5 billion.

– From a divisional perspective, decreases in exposure are observed across all divisions. Corporate & Investment Bank decreased by € 20.7 billion is the main contributor to the overall decrease.
– From a product perspective strong exposure reductions have been observed for OTC derivatives, Loans, Irrevocable lending commitments and Debt securities while an increase is observed for Traded Bonds.

Our credit exposure to our ten largest counterparties accounted for 8 % of our aggregated total credit exposure in these categories as of December 31, 2017 compared with 7 % as of December 31, 2016. Our top ten counterparty exposures were with well-rated counterparties or otherwise related to structured trades which show high levels of risk mitigation.

Our largest concentration of credit risk within loans from a regional perspective is in our home market Germany, with a significant share in households, which includes the majority of our mortgage lending business.

Within OTC derivatives, tradable assets as well as repo and repo-style transactions, our largest concentra-tions from a regional perspective were in Europe and North America. From the industry classification perspective, expo-sures from OTC derivative as well as repo and repo-style transactions have a significant share in highly rated Financial Intermediation companies. For tradable assets, a large proportion of exposure is also with Public Sector companies.

Market Risk

VaR is a quantitative measure of the potential loss (in value) of Fair Value positions due to market movements that will not be exceeded in a defined period of time and with a defined confidence level.

Our value-at-risk for the trading businesses is based on our own internal model. In October 1998, the German Banking Supervisory Authority (now the BaFin) approved our internal model for calculating the regulatory market risk capital for our general and specific market risks. Since then the model has been continually refined and approval has been main-tained.

We calculate VaR using a 99 % confidence level and a one day holding period. This means we estimate there is a 1 in 100 chance that a mark-to-market loss from our trading positions will be at least as large as the reported VaR. For regula-tory purposes, which include the calculation of our risk-weighted assets, the holding period is ten days.

We use one year of historical market data as input to calculate VaR. The calculation employs a Monte Carlo Simulation technique, and we assume that changes in risk factors follow a well-defined distribution, e.g. normal or non-normal (t, skew-t, Skew-Normal). To determine our aggregated VaR, we use observed correlations between the risk factors during this one year period.

Our VaR model is designed to take into account a comprehensive set of risk factors across all asset classes. Key risk factors are swap/government curves, index and issuer-specific credit curves, funding spreads, single equity and index prices, foreign exchange rates, commodity prices as well as their implied volatilities. To help ensure completeness in the risk coverage, second order risk factors, e.g. CDS index vs. constituent basis, money market basis, implied dividends, option-adjusted spreads and precious metals lease rates are considered in the VaR calculation.

For each business unit a separate VaR is calculated for each risk type, e.g. interest rate risk, credit spread risk, equity risk, foreign exchange risk and commodity risk. For each risk type this is achieved by deriving the sensitivities to the relevant risk type and then simulating changes in the associated risk drivers. “Diversification effect” reflects the fact that the total VaR on a given day will be lower than the sum of the VaR relating to the individual risk types. Simply adding the VaR figures of the individual risk types to arrive at an aggregate VaR would imply the assumption that the losses in all risk types occur simultaneously.

The model incorporates both linear and, especially for derivatives, nonlinear effects through a combination of sensitivity-based and revaluation approaches.

The VaR measure enables us to apply a consistent measure across all of our fair value businesses and products. It allows a comparison of risk in different businesses, and also provides a means of aggregating and netting positions within a portfolio to reflect correlations and offsets between different asset classes. Furthermore, it facilitates comparisons of our market risk both over time and against our daily trading results.

When using VaR estimates a number of considerations should be taken into account. These include:

– The use of historical market data may not be a good indicator of potential future events, particularly those that are extreme in nature. This “backward-looking” limitation can cause VaR to understate future potential losses (as in 2008), but can also cause it to be overstated.
– Assumptions concerning the distribution of changes in risk factors, and the correlation between different risk factors, may not hold true, particularly during market events that are extreme in nature. The one day holding period does not fully capture the market risk arising during periods of illiquidity, when positions cannot be closed out or hedged within one day.
– VaR does not indicate the potential loss beyond the 99^{th} quantile.
– Intra-day risk is not reflected in the end of day VaR calculation.
– There may be risks in the trading or banking book that are partially or not captured by the VaR model.

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. They exclude contributions from Postbank trading book which are calculated on a stand-alone basis.

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

	Total		Diversification effect		Interest rate risk		Credit spread risk		Equity price risk		Foreign exchange risk[1]		Commodity price risk	
in € m.	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Average	29.8	32.0	(28.1)	(35.0)	20.2	19.7	19.7	26.6	8.7	9.3	8.4	10.7	0.8	0.7
Maximum	38.4	59.4	(37.6)	(57.6)	26.0	29.5	25.1	32.5	12.5	52.4	16.5	16.7	3.0	3.3
Minimum	20.1	20.4	(21.4)	(25.6)	13.5	14.8	13.5	22.3	4.4	4.4	4.2	3.6	0.1	0.2
Period-end	29.1	30.1	(22.5)	(36.9)	21.4	19.9	14.4	24.3	10.1	10.0	4.9	12.6	0.7	0.2

[1] Includes value-at-risk from gold and other precious metal positions.

The average value-at-risk over 2017 was € 29.8 million, which is a decrease of € 2.2 million compared with the full year 2016. The average credit spread value-at-risk decreased due to a reduction in idiosyncratic risk. The period end value-at-risk reduction was driven by reductions across the credit spread and foreign exchange asset classes.

Operational Risk

We calculate and measure the regulatory and economic capital requirements for Operational Risk using the Advanced Measurement Approach ("AMA") methodology. Our AMA capital calculation is based upon the Loss Distribution Approach. Gross losses from historical internal and external loss data (Operational Riskdata eXchange Association consortium data) and external scenarios from a public database (IBM OpData) complemented by internal scenario data are used to estimate the risk profile (i.e., a loss frequency and a loss severity distribution). Our Loss Distribution Approach model includes conservatism by recognizing losses on events that arise over multiple years as single events in our historical loss profile.

Within the Loss Distribution Approach model, the frequency and severity distributions are combined in a Monte Carlo simulation to generate potential losses over a one year time horizon. Finally, the risk mitigating benefits of insurance are applied to each loss generated in the Monte Carlo simulation. Correlation and diversification benefits are applied to the net losses in a manner compatible with regulatory requirements to arrive at a net loss distribution at Group level, covering expected and unexpected losses. Capital is then allocated to each of the business divisions after considering qualitative adjustments and expected loss.

The regulatory capital requirement for Operational Risk is derived from the 99.9 % percentile. Since Q4 2017, the econom-ic capital is also set at 99.9 % percentile, see the section "Internal Capital Adequacy". Both regulatory and economic capital requirements are calculated for a time horizon of one year.

The Regulatory and Economic Capital demand calculations are performed on a quarterly basis. NFRM aims to ensure that for the approach for capital demand quantification appropriate development, validation and change governance pro-cesses are in place, whereby the validation is performed by an independent validation function and in line with the Group's model risk management process.

Operational Risk Losses by Event Type (Profit and Loss view)

in € m.	2017	2016[1]
Clients, Products and Business Practices	309	2,512
Internal Fraud	38	397
External Fraud	15	18
Execution, Delivery and Process Management	223	119
Others	30	25
Group	**615**	3,072

[1] Changed 2016 loss figures due to subsequent capture of losses and reclassification.

As of December 2017, profit and loss based operational losses decreased by € 2.5 billion or 80 % compared to year-end 2016. The decrease was driven by the event types "Clients, Products and Business Practices" and "Internal Fraud", due to settlements reached and increased litigation reserves for unsettled cases in 2016.

Leverage Ratio

We manage our balance sheet on a Group level and, where applicable, locally in each region. In the allocation of finan-cial resources we favor business portfolios with the highest positive impact on our profitability and shareholder value. We monitor and analyze balance sheet developments and track certain market-observed balance sheet ratios. Based on this we trigger discussion and management action by the Group Risk Committee (GRC). Following the publication of the CRR/CRD 4 frame-work, we established a leverage ratio calculation according to that framework.

Leverage Ratio according to revised CRR/CRD 4 framework (fully loaded)

The CRR/CRD 4 framework introduced a non-risk based leverage ratio that is intended to act as a supplementary measure to the risk based capital requirements. Its objectives are to constrain the build-up of leverage in the banking sector, help-ing avoid destabilizing deleveraging processes which can damage the broader financial system and the economy, and to reinforce the risk based requirements with a simple, non-risk based "backstop" measure. While the CRR/CRD 4 frame-work currently does not provide for a mandatory minimum leverage ratio to be complied with by the relevant financial institutions, a legislative pro-posal published by the European Commission on November 23, 2016 suggests introducing a minimum leverage ratio of 3 %. The legislative proposal provides that the leverage ratio would apply two years after the proposal's entry into force and remains subject to political discussion among EU institutions.

We calculate our leverage ratio exposure on a fully loaded basis in accordance with Article 429 of the CRR as per Dele-gated Regulation (EU) 2015/62 of October 10, 2014 published in the Official Journal of the European Union on January 17, 2015 amending Regulation (EU) No 575/2013. In addition, we provide the leverage ratio on a phase-in basis as displayed below in the tables.

Our total leverage ratio exposure includes the derivatives, securities financing transactions (SFTs), off-balance sheet exposure and other on-balance sheet exposure (excluding derivatives and SFTs).

The leverage exposure for derivatives is calculated by using the regulatory mark-to-market method for derivatives com-prising the current replacement cost plus a regulatory defined add-on for the potential future exposure. Variation margin received in cash from counterparties is deducted from the current replacement cost portion of the leverage ratio exposure measure and variation margin paid to counterparties is deducted from the leverage ratio exposure measure related to receivables recognized as an asset on the balance sheet, provided certain conditions are met. Deductions of receivables for cash variation margin provided in derivatives transactions are shown under derivative exposure in the table "Lever-age ratio common disclosure" below. The effective notional amount of written credit derivatives, i.e., the notional reduced by any negative fair value changes that have been incorporated in Tier 1 capital, is included in the leverage ratio expo-sure measure; the resulting exposure meas-ure is further reduced by the effective notional amount of a purchased credit derivative on the same reference name provided certain conditions are met.

The securities financing transaction (SFT) component includes the gross receivables for SFTs, which are netted with SFT pay-ables if specific conditions are met. In addition to the gross exposure a regulatory add-on for the counterparty credit risk is in-cluded.

The off-balance sheet exposure component follows the credit risk conversion factors (CCF) of the standardized ap-proach for credit risk (0 %, 20 %, 50 %, or 100 %), which depend on the risk category subject to a floor of 10 %.

The other on-balance sheet exposure component (excluding derivatives and SFTs) reflects the accounting values of the assets (excluding derivatives and SFTs) as well as regulatory adjustments for asset amounts deducted in determining Tier 1 capital.

The following tables show the leverage ratio exposure and the leverage ratio, both on a fully loaded basis, in accordance with the disclosure tables of the implementing technical standards (ITS) which were adopted by the European Commis-sion via Commission Implementing Regulation (EU) 2016/200 published in the Official Journal of the European Union on February 16, 2016. For additional information, they also contain the phase-in figures.

Summary reconciliation of accounting assets and leverage ratio exposures

in € m.	Dec 31, 2017	Dec 31, 2016
Total assets as per published financial statements	1,475	1,591
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	5	0
Adjustments for derivative financial instruments	(172)	(276)
Adjustment for securities financing transactions (SFTs)	41	20
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	95	102
Other adjustments	(50)	(90)
Leverage ratio total exposure measure (fully loaded)	1,395	1,348
Leverage ratio total exposure measure (phase-in)	1,396	1,350

Leverage ratio common disclosure

in € m. (unless stated otherwise)	Dec 31, 2017	Dec 31, 2016
Total derivative exposures	166	177
Total securities financing transaction exposures	158	135
Total off-balance sheet exposures	95	102
Other Assets	990	948
Asset amounts deducted in determining Tier 1 capital[1]	(14)	(15)
Tier 1 capital (fully loaded)	52.9	46.8
Leverage ratio total exposure measure (fully loaded)	1,395	1,348
Leverage ratio (fully loaded, in %)	3.8	3.5
Tier 1 capital (phase-in)	57.6	55.5
Leverage ratio total exposure measure (phase-in)	1,396	1,350
Leverage ratio (phase-in, in %)	4.1	4.1

[1] Using a fully loaded definition of Tier 1 capital. The amount using a transitional definition of Tier 1 capital is € (13) billion and € (13) billion as of December 31, 2017 and December 31, 2016, respectively.

Description of the factors that had an impact on the leverage ratio in 2017

As of December 31, 2017, our fully loaded CRR/CRD 4 leverage ratio was 3.8 % compared to 3.5 % as of December 31, 2016, taking into account as of December 31, 2017 a fully loaded Tier 1 capital of € 52.9 billion over an applicable expo-sure measure of € 1,395 billion (€ 46.8 billion and € 1,348 billion as of December 31, 2016, respectively).

Our CRR/CRD 4 leverage ratio according to transitional provisions was 4.1 % as of December 31, 2017 (4.1 % as of

December 31, 2016), calculated as Tier 1 capital according to transitional rules of € 57.6 billion over an applicable expo-sure measure of € 1,396 billion (€ 55.5 billion and € 1,350 billion as of December 31, 2016, respectively). The exposure measure under transitional rules is € 1 billion (€ 2 billion as of December 31, 2016) higher compared to the fully loaded exposure measure as the asset amounts deducted in determining Tier 1 capital are lower under transitional rules.

Based on recent ECB guidance, we have included pending settlements in the calculation of the leverage exposure since the second quarter 2017 based on the asset values as recorded for financial accounting purposes, i.e., for Deutsche Bank Group under IFRS, trade date accounting. The application of trade date accounting leads to a temporary increase of the leverage exposure between trade date and settlement date for regular way asset purchases. The size of the reported in-crease was € 17 billion at December 31, 2017. It should be noted that under the proposed revision of the Capital Require-ment Regulation ("CRR") as currently drafted this increase would materially reverse out once the revision becomes effec-tive given it allows for the offsetting of pending settlement cash payables and cash receivables for regular way purchases and sales that are settled on a delivery-versus-payment basis.

Following a clarification by the EBA published on January 19, 2018 we have changed the treatment of sold options which form part of a regulatory netting set starting with the fourth quarter 2017. We no longer apply a cap at the maximum possi-ble exposure increase of the netting set that may result from the option and this leads to an increase of the add-ons for potential future exposure for derivatives by € 15 billion.

Over the year 2017, our leverage ratio exposure increased by € 47 billion to € 1,395 billion. This is primarily driven by the € 41 billion increase in Other Assets which in addition to the above mentioned pending settlements also reflects the development on our balance sheet, in particular increases in cash and central bank balances and non-derivative trading assets, partly offset by a decrease in loans. Furthermore, there was an increase of € 23 billion in SFT exposures reflecting higher add-ons for counterparty credit risk and the overall growth on the balance sheet in the SFT related items (securi-ties purchased under resale agreements and securities borrowed, under accrual and fair value accounting as well as receivables from prime brokerage).

Derivative exposures decreased by € 11 billion mainly driven by lower replacement costs; the above-mentioned increase of the potential future exposure add-ons for sold options was largely offset by the change from the previous collateral model to a settlement model for the interest rate swaps transacted with the London Clearing House and other reductions. In addition, off-balance sheet exposures decreased by € 7 billion corresponding to lower notional amounts for irrevocable lending commitments and contingent liabilities.

The increase of the leverage ratio exposure in 2017 includes a negative foreign exchange impact of € 82 billion mainly due to the appreciation of the Euro against the U.S. dollar.

Our leverage ratio calculated as the ratio of total assets under IFRS to total equity under IFRS was 22 as of December 31, 2017 compared to 25 as of December 31, 2016.

For main drivers of the Tier 1 capital development please refer to section “Regulatory Capital” in this report.

Liquidity Risk

Funding Risk Management

Deutsche Bank’s primary tool for monitoring and managing funding risk is the Funding Matrix. The Funding Matrix as-sesses the Group’s structural funding profile for the greater than one year time horizon. To produce the Funding Matrix, all funding-relevant assets and liabilities are mapped into time buckets corresponding to their contractual or modeled maturities. This al-lows the Group to identify expected excesses and shortfalls in term liabilities over assets in each time bucket, facilitating the management of potential liquidity exposures.

The liquidity maturity profile is based on contractual cash flow information. If the contractual maturity profile of a product does not adequately reflect the liquidity maturity profile, it is replaced by modeling assumptions. Short-term balance sheet items (<1yr) or matched funded structures (asset and liabilities directly matched with no liquidity risk) can be excluded from the term analysis.

The bottom-up assessment by individual business line is combined with a top-down reconciliation against the Group’s IFRS balance sheet. From the cumulative term profile of assets and liabilities beyond 1 year, any long-funded surpluses or short-funded gaps in the Group’s maturity structure can be identified. The cumulative profile is thereby built up starting from the above 10 year bucket down to the above 1 year bucket.

The strategic liquidity planning process, which incorporates the development of funding supply and demand across business units, together with the bank’s targeted key liquidity and funding metrics, provides the key input parameter for our annual capital markets issuance plan. Upon approval by the Management Board the capital markets issuance plan establishes issuance targets for securities by tenor, volume and instrument. We also maintain a stand-alone U.S. dollar and GBP funding matrix which limits the maximum short position in any time bucket (more than 1 year to more than 10 years) to € 10 billion and € 5 billion respectively. This supplements the risk appetite for our global funding matrix which requires us to maintain a positive funding position in any time bucket (more than 1 year to more than 10 years).

Liquidity Reserves

Liquidity reserves comprise available cash and cash equivalents, highly liquid securities (includes government, agency and government guaranteed) as well as other unencumbered central bank eligible assets.

The volume of our liquidity reserves is a function of our expected daily stress result, both at an aggregate level as well as at an individual currency level. To the extent we receive incremental short-term wholesale liabilities which attract a high stress roll-off, we will largely keep the proceeds of such liabilities in cash or highly liquid securities as a stress mitigant. Accordingly, the total volume of our liquidity reserves will fluctuate as a function of the level of short-term wholesale lia-bilities held, although this has no material impact on our overall liquidity position under stress. Our liquidity reserves include only assets that are freely trans-ferable or that can be utilized after taking into consideration local liquidity de-mands within the Group, including local limits on free transferability within the Group, or that can be applied against local entity stress outflows. As a result our liquidity reserves exclude surplus liquidity held in DBTCA due to requirements pur-suant to Section 23A of the U.S. Federal Reserve Act and in Postbank due to the absence of a waiver concerning the full integration of Postbank assets. We hold the vast majority of our liquidity reserves centrally across the major currencies, at our parent and our foreign branches with further reserves held at key locations in which we are active.

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

	Dec 31, 2017		Dec 31, 2016	
in € bn.	Carrying Value	Liquidity Value	Carrying Value	Liquidity Value
Available cash and cash equivalents (held primarily at central banks)	222	222	178	178
Parent (incl. foreign branches)	189	189	136	136
Subsidiaries	33	33	42	42
Highly liquid securities (includes government, government guaranteed and agency securities)	39	37	27	25
Parent (incl. foreign branches)	24	23	25	24
Subsidiaries	15	15	2	1
Other unencumbered central bank eligible securities	19	13	14	9
Parent (incl. foreign branches)	11	8	9	6
Subsidiaries	8	5	5	3
Total liquidity reserves	**280**	**272**	219	212
Parent (incl. foreign branches)	223	219	171	166
Subsidiaries	56	53	48	46

As of December 31, 2017, our liquidity reserves amounted to € 280 billion compared with € 219 billion as of December 31, 2016. The increase of € 61 billion comprised a € 44 billion increase in cash and cash equivalents, a € 12 billion increase in highly liquid securities and a € 5 billion increase in other unencumbered securities. The development was largely driven by a steady growth of stable funding sources, as well as an adaption of internal and regulatory liquidity models that resulted in an increase in the requirement for liquidity buffers. Our average liquidity reserves during the year were € 269.3 billion compared with € 212.4 billion during 2016. In the table above the carrying value represents the market value of our liquidity reserves while the liquidity value reflects our assumption of the value that could be obtained, primarily through secured funding, taking into account the experience observed in secured funding markets at times of stress.

Capital Requirements and Adequacy

The calculation of our regulatory capital incorporates the capital requirements following the “Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms” (Capital Requirements Regulation or “CRR”) and the “Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms” (Capital Requirements Directive 4 or “CRD 4”) as implemented into German law. The information in this section as well as in the section “Development of risk-weighted Assets” is based on the regulatory princi-ples of consolidation.

When referring to results according to full application of the final CRR/CRD 4 framework (without consideration of appli-cable transitional methodology) we use the term “CRR/CRD 4 fully loaded”. In some cases, CRR/CRD 4 maintains transi-tional rules that had been adopted in earlier capital adequacy frameworks through Basel 2 or Basel 2.5. These relate, e.g., to the risk weighting of certain categories of assets and include rules permitting the grandfathering of equity investments at a risk-weight of 100 %. In this regard, we assumed in our CRR/CRD 4 fully loaded methodology for a limited subset of equity positions that the impact of the expiration of these transitional rules will be mitigated through sales of the underly-ing assets or other measures prior to the expiration of the grandfathering provisions by the end of 2017. Since the fourth quarter 2017 we have not applied this grandfathering rule anymore, but instead applied a risk weight between 190 % and 370 % determined based on Article 155 CRR under the CRR/CRD 4 fully loaded rules to all our equity positions. Conse-quently, no transitional arrangements are considered in our fully loaded RWA numbers for December 31, 2017. Only for the comparative period, yearend 2016, are these transitional rules within the risk weighting still applied.

This section refers to the capital adequacy of the group of institutions consolidated for banking regulatory purposes pursuant to the CRR and the German Banking Act (“Kreditwesengesetz” or “KWG”). Therein not included are insurance companies or companies outside the finance sector.

Risk-Weighted Assets

The Pillar 1 CET 1 minimum capital requirement applicable to the Group is 4.50 % of risk-weighted assets (RWA). The Pillar 1 total capital requirement of 8.00 % demands further resources that may be met with up to 1.50 % Additional Tier 1 capital and up to 2.00 % Tier 2 capital. In addition to these minimum capital requirements, various capital buffer requirements were phased-in starting 2016 and will become fully effective from 2019 onwards.

The risk-weighted assets comprise the total of credit, market and operational risks. In the calculation of the risk-weighted assets the Deutsche Bank uses internal models for all three risk types which were approved by the Bundesanstalt für Finanzdienstleistungsaufsicht („BaFin“).We establish counterparty Credit Valuation Adjustment (“CVA”) for OTC derivative transactions to cover expected credit losses. The adjustment amount is determined by assessing the potential credit exposure to a given counterparty and taking into account any collateral held, the effect of any relevant netting arrangements, expected loss given default and the credit risk, based on available market information, including CDS spreads. Our advanced IRBA coverage ratio, excluding Postbank, amounted to 96,8 % by exposure value ("EAD") and 90,7 % by RWA as of December 31, 2017, using applicable measures according to Section 11 SolvV. It decreased from the levels at December 31, 2016, which amounted to 97,3 % by EAD and 93,4 % by RWA. In this regard, our RWA-based coverage ratio has fallen slightly below 92 %, the regulatory minimum requirements with regard to the coverage ratio thresholds. ECB as our competent authority is informed about the coverage ratio development on a continual basis and required actions (if any) will be discussed jointly; also considering potential changes in regulations. Prior to June 30, 2017, regulatory mini-mum requirements with regard to the respective coverage ratio thresholds have been met at all times. These ratios ex-cluded the exposures permanently assigned to the standardized approach (according to Article 150 CRR), other IRBA exposure as well as securitization positions.

Deutsche Bank's market risk component is a multiple of the value-at-risk figure, which is calculated for regulatory purposes based on our internal and BaFin approved models. The market risk component includes a multiple of the stressed value-at-risk and the value-at-risk, as well as the incremental risk charge and the comprehensive risk measure on the Group's correlation trading portfolio. All of which are all calculated on the basis of the Group's BaFin approved internal models. The market risk component also includes securitizations in the trading book outside the correlation trading portfolio measured with the standardized approach according to CRR. Further standard calculation approaches are used for remaining market risk positions.

For operational risk calculations, the Group uses the so-called Advanced Measurement Approach ("AMA") pursuant to Articles 321 to 324 CRR.

RWA for CVA covers the risk of mark-to-market losses on the expected counterparty risk in connection with OTC deriva-tive exposures. We calculate the majority of the CVA based on our own internal model as approved by the BaFin.

Risk-weighted assets of the Deutsche Bank Group

in € m.	Dec 31, 2017 CRR/CRD 4	Dec 31, 2016 CRR/CRD 4
Credit risk	214,142	220,345
Settlement risk	147	36
Credit Valuation Adjustment (CVA)	6,451	9,416
Market risk	30,966	33,762
Operational risk	91,610	92,675
Total risk-weighted assets	**343,316**	356,235

Regulatory Capital

The total regulatory capital pursuant to the effective regulations as of year-end 2017 comprises Tier 1 and Tier 2 (T2) capital. Tier 1 capital is subdivided into Common Equity Tier 1 (CET 1) capital and Additional Tier 1 (AT1) capital.

Common Equity Tier 1 (CET 1) capital consists primarily of common share capital (reduced by own holdings) including related share premium accounts, retained earnings (including losses for the financial year, if any) and accumulated other comprehensive income, subject to regulatory adjustments (i.e. prudential filters and deductions). Prudential filters for CET 1 capital, according to Articles 32 to 35 CRR, include (i) securitization gain on sale, (ii) cash flow hedges and changes in the value of own liabilities, and (iii) additional value adjustments. CET 1 capital deductions comprise (i) in-tangible assets, (ii) deferred tax assets that rely on future profitability, (iii) negative amounts resulting from the calculation of expected loss amounts, (iv) net defined benefit pension fund assets, (v) reciprocal cross holdings in the capital of financial sector entities and, (vi) significant and non-significant investments in the capital (CET 1, AT1, T2) of financial sector entities above certain thresholds. All items not deducted (i.e., amounts below the threshold) are subject to risk-weighting.

Additional Tier 1 (AT1) capital consists of AT1 capital instruments and related share premium accounts as well as non-controlling interests qualifying for inclusion in consolidated AT1 capital, and during the transitional period grandfa-thered instruments eligible under earlier frameworks. To qualify as AT1 capital under CRR/CRD 4, instruments must have principal loss absorption through a conversion to common shares or a write-down mechanism allocating losses at a trigger point and must also meet further requirements (perpetual with no incentive to redeem; institution must have full dividend/coupon discretion at all times, etc.).

Tier 2 (T2) capital comprises eligible capital instruments, the related share premium accounts and subordinated long-term debt, certain loan loss provisions and noncontrolling interests that qualify for inclusion in consolidated T2 capital. To qualify as T2 capital, capital instruments or subordinated debt must have an original maturity of at least five years. Moreover, eligible capital instruments may inter alia not contain an incentive to redeem, a right of investors to accelerate repayment, or a credit sensitive dividend feature.

Capital instruments that no longer qualify as AT1 or T2 capital under the CRR/CRD 4 fully loaded rules are subject to grandfathering rules during transitional period and are phased out from 2013 to 2022 with their recognition capped at 50 % in 2017 and the cap decreasing by 10 % every year.

Overview of Regulatory Capital, RWA and Capital Ratios according to CRR/CRD 4

in € m.	Dec 31, 2017 CRR/CRD 4	Dec 31, 2016 CRR/CRD 4
Common Equity Tier 1 capital before regulatory adjustments	63,114	59,104
Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital	(12,306)	(11,321)
Common Equity Tier 1 (CET 1) capital	**50,808**	47,782
Additional Tier 1 (AT1) capital before regulatory adjustments	8,579	11,191
Total regulatory adjustments to Additional Tier 1 (AT1) capital	(1,756)	(3,488)
Additional Tier 1 (AT1) capital	**6,823**	7,703
Tier 1 capital (T1 = CET 1 + AT1)	**57,631**	55,486
Tier 2 (T2) capital	**6,384**	6,672
Total Regulatory capital (TC = T1 + T2)	**64,016**	62,158
Total risk-weighted assets	**343,316**	356,235
Capital ratios		
Common Equity Tier 1 capital ratio (as a percentage of risk-weighted assets)	14.8	13.4
Tier 1 capital ratio (as a percentage of risk-weighted assets)	16.8	15.6
Total capital ratio (as a percentage of risk-weighted assets)	18.6	17.4

Our CRR/CRD 4 Tier 1 capital as of December 31, 2017 amounted to € 57.6 billion, consisting of CET 1 capital of € 50.8 billion and AT1 capital of € 6.8 billion. The CRR/CRD 4 Tier 1 capital was € 2.1 billion higher than at the end of 2016, primarily driven by an increase in CET 1 capital of € 3.0 billion since year end 2016 while AT1 capital decreased by € 0.9 billion in the same period.

The € 3.0 billion increase of CRR/CRD 4 CET 1 capital was largely the result of the capital issuance completed in early April 2017 with net proceeds of € 7.9 billion and the reversal of 10 % threshold-related deductions of € 0.4 billion due to the higher capital base. These positive effects were then reduced by increased regulatory adjustments due to the higher phase-in rate of 80 % in 2017 compared to 60 % in 2016 and negative effects from Currency Translation Adjustments of € 2.6 billion with partially positive foreign exchange counter-effects in capital deduction items. Further reductions were due to the net loss attributable to Deutsche Bank shareholders and additional equity components of € 0.8 billion in 2017. Since we do not include an interim profit in our CET 1 capital as a consequence of the negative net income in the financial year 2017, neither AT1 coupon nor shareholder dividends are accrued in CET 1 capital in accordance with Art 26 (2) CRR.

The € 0.9 billion decrease in CRR/CRD 4 AT1 capital was mainly the result of reduced Legacy Hybrid Tier 1 instruments, recognizable as AT1 capital during the transition period, which were € 2.6 billion lower compared to year end 2016 largely due to the call of instruments (€ 2.4 billion) and foreign exchange effects. A positive counter-effect resulted from reduced transitional adjustments (€ 1.7 billion lower than at year end 2016) that were phased out from AT1 capital. These deduc-tions reflect the residual amount of certain CET 1 deductions that are subtracted from CET 1 capital under fully loaded rules, but are allowed to reduce AT1 capital during the transitional period. The phase-in rate for these deductions on the level of CET 1 capital increased to 80 % in 2017 (60 % in 2016) and decreased correspondingly on the level of AT1 capi-tal to 20 % in 2017 (40 % in 2016).

Our fully loaded CRR/CRD 4 Tier 1 capital as of December 31, 2017 was € 52.9 billion, compared to € 46.8 billion at the end of 2016. Our fully loaded CRR/CRD 4 CET 1 capital amounted to € 48.3 billion as of December 31, 2017, compared to € 42.3 billion as of December 31, 2016. Our fully loaded CRR/CRD 4 AT1 capital amounted to € 4.6 billion as of December 31, 2017, unchanged compared to year end 2016.

The increase of our fully loaded CET 1 capital of € 6.0 billion compared to year end 2016 capital was largely the result of the € 7.9 billion net proceeds from our capital issuance and the reversal of 10 % threshold-related deductions of € 0.6 billion due to the higher capital base. Further positive effects of € 0.4 billion resulted from regulatory adjustments from prudential filters (Debt Valuation Adjustments). These positive effects were partially reduced by our negative net income of € 0.8 billion and negative effects from Currency Translation Adjustments of € 2.6 billion with partially positive foreign exchange counter-effects in capital deduction items.

Based on ECB guidance and following the EBA Guidelines on payment commitments, Deutsche Bank will treat irrevocable payment commitments related to the Deposit Guarantee Scheme and the Single Resolution Fund as an additional CET 1 capital deduction instead of risk weighted assets, effective from January 2018 onwards. If these were treated as a capital deduction item for the financial year 2017, then our pro-forma fully loaded CET 1 capital would have been € 0.4 billion lower along with an RWA relief of € 1.0 billion resulting in a pro-forma fully loaded CET 1 capital ratio decrease of 8 basis points.

Internal Capital Adequacy Assessment Process

The Internal Capital Adequacy Assessment Process (ICAAP) requires banks to identify and assess risks, maintain sufficient capital to face these risks and apply appropriate risk-management techniques to maintain adequate capitalization on an ongoing and forward-looking basis, i.e., internal capital supply to exceed internal capital demand (figures are described in more detail in the section "Internal Capital Adequacy").

At a Group level, we comply with ICAAP as required under Pillar 2 of Basel 3 and its local implementation in Germany, the Minimum Requirements for Risk Management (MaRisk), through a Group-wide risk management and governance framework, methodologies, processes and infrastructure.

In line with MaRisk and Basel requirements, the key instruments to help us maintain our adequate capitalization on an ongoing basis are:

- Risk identification and assessment: The risk identification process forms the basis of the ICAAP and results in an inventory of risks for the Group. All risks identified are assessed for their materiality. Further details can be found in under section "Risk Identification and Assessment".
- Capital demand/risk measurement: Risk measurement methodologies and models are applied to quantify the capital demand which is required to cover all material risks except for those which cannot be adequately limited by capital e.g. liquidity risk. Further details can be found in sections "Risk Profile" and "Capital and Leverage Ratio".
- Capital supply: Capital supply quantification refers to the definition of available capital resources to absorb unexpected losses quantified as part of the capital demand. Further details can be found in section "Capital and Leverage Ratio"
- Risk appetite: Deutsche Bank has established Group risk appetite thresholds which express the level of risk that we are willing to assume to achieve our strategic objectives. Threshold breaches are subject to a dedicated governance framework triggering management actions aimed to safeguard capital adequacy. Further details can be found in sections "Risk Appetite and Capacity" and "Key Risk Metrics".
- Capital planning: The Group risk appetite thresholds for capital adequacy metrics constitute boundaries which have to be met to safeguard capital adequacy on a forward-looking basis. Further details can be found in section "Strategic and Capital Plan".
- Stress testing: Capital plan figures are also considered under various stress test scenarios to prove resilience and overall viability of the bank. Capital adequacy metrics are also subject to regular stress tests throughout the year to constantly evaluate Deutsche Bank's capital position in hypothetical stress scenarios and to detect any vulnerabilities under stress. Further details can be found in section "Stress Testing".
- Capital adequacy assessment: Although capital adequacy is constantly monitored throughout the year, the ICAAP concludes with a dedicated annual capital adequacy assessment (CAS). The assessment consists of a Management Board statement about Deutsche Bank's capital adequacy, which is linked to specific conclusions and management actions to be taken to safeguard capital adequacy on a forward-looking basis.

Internal Capital Adequacy

Our internal capital adequacy assessment process (ICAAP) is aimed at maintaining the viability of Deutsche Bank on an ongoing basis. We assess our internal capital adequacy as the ratio of our internal capital supply divided by our internal economic capital demand as shown in the table below. While Deutsche Bank's ICAAP was historically based on a "gone concern approach", the approach were changed in November 2017 to take a perspective aimed at maintaining the viabil-ity of Deutsche Bank on an ongoing basis. As a result, the quantile used for the calculation of the internal economic capi-tal demand has been changed from 99.98 % to 99.9 % improving comparability with regulatory capital demand along with the following implications for the internal capital supply definition: The revised internal capital supply definition excludes any Tier 1 capital instruments subject to grandfathering and Tier 2 capital instruments. Accruals for AT1 coupons and IFRS deferred tax assets that rely on future profitability excluding those arising from temporary differences are fully de-ducted. IFRS deferred tax assets arising from temporary differences are risk weighted and covered within business risk economic capital on the internal capital demand side. Previously, deferred tax assets had been fully deducted from inter-nal capital supply. Fair value adjustments for assets reclassified where no matched funding is available are no longer deducted from the internal capital supply.

in € m. (unless stated otherwise)	Dec 31, 2017	Dec 31, 2016
Capital supply		
Shareholders' equity	63,174	59,833
Noncontrolling interests[1]	0	0
Accruals AT1 coupons	(213)	N/M
Gain on sale of securitisations, Cash flow hedges	(29)	N/M
Fair value gains on own debt and debt valuation adjustments, subject to own credit risk[2]	(73)	(440)
Additional valuation adjustments[3]	(1,204)	(1,398)
Intangible assets	(8,839)	(8,982)
IFRS Deferred Tax Assets excl. temporary differences[4]	(3,341)	N/M
IFRS Deferred tax assets[4]	N/M	(8,666)
Expected loss shortfall	(502)	(297)
Defined benefit pension fund assets[5]	(1,125)	(945)
Holdings of own common equity Tier 1 capital instruments	(131)	(45)
Home loans and savings protection ("Fonds zur bauspartechnischen Absicherung")	(19)	(231)
Other adjustments	(322)	N/M
Fair Value adjustments for financial assets reclassified to loans[6]	N/M	(557)
Additional Tier 1 equity instruments[7]	4,675	N/M
Hybrid tier 1 capital instruments	N/M	11,259
Tier 2 capital instruments	N/M	8,003
Capital supply	52,051	57,534
Total economic capital demand		
Credit risk	10,769	13,105
Market risk	10,428	14,593
Operational risk	7,329	10,488
Business risk	5,677	5,098
Diversification benefit	(7,074)	(7,846)
Capital demand	27,129	35,438
Internal capital adequacy ratio	192 %	162 %

[1] Includes noncontrolling interest up to the economic capital requirement for each subsidiary.
[2] Includes deduction of fair value gains on own credit-effect relating to own liabilities designated under the fair value option as well as the debt valuation adjustments.
[3] As applied in the section Capital Management.
[4] Deduction-treatment of deferred tax assets arising from temporary differences was changed to inclusion in business risk economic capital demand.
[5] Reported as net assets (assets minus liabilities) of a defined pension fund, i.e. applicable for overfunded pension plans.
[6] Includes fair value adjustments for assets reclassified in accordance with IAS 39 and for banking book assets where no matched funding is available.
[7] As per Dec 31, 2016 included under 'Hybrid Tier 1 capital instruments'

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 192 % as of December 31, 2017, compared with 162 % as of December 31, 2016. The change of the ratio was due to the fact that capital supply decreased proportionately less than the capital demand did. The decrease in capital demand was driven by lower economic capital requirements partly due to the change in quantile as explained in the section “Risk Profile”. The Capital Supply decreased by € 5.4 billion mainly due to the new capital supply definition as per the new Internal Capital Adequacy perspective implemented in November 2017.

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

Compensation Report

The Compensation Report provides information on the principles and the amount of the compensation of the Management Board and Supervisory Board members of Deutsche Bank AG. It complies with the requirements of Section 285 No. 9 of the German Commercial Code (HGB), the German Accounting Standard No. 17 “Reporting on Executive Body Remuneration, the German regulation on the supervisory requirements for compensation systems of banks (Instituts-Vergütungsverordnung) as well as the recommendations of the German Corporate Governance Code.

Introduction

The 2017 Compensation Report provides detailed compensation information with regard to the overall Deutsche Bank Group.

The Compensation Report comprises the following three sections:

Management Board Compensation Report

The first section of the Report sets out the structure and design of the compensation system for the members of the Management Board of Deutsche Bank AG. It presents the compensation system for the 2017 financial year, for which the variable compensation structure was amended compared to the compensation system for the 2016 financial year and which was approved by the General Meeting in May 2017. In addition, the report contains information on the compensation and other benefits granted by the Supervisory Board to the members of the Management Board of Deutsche Bank AG.

Employee Compensation Report

The second section of the Compensation Report discloses information with regard to the compensation system and structure that applies to the employees in Deutsche Bank Group (except for Deutsche Postbank AG, which publishes a separate Compensation Report). The report provides details on the new Compensation Framework that was introduced in 2016 and it outlines the decisions on Variable Compensation for 2016. Furthermore, this part contains quantitative disclosures specific to employees identified as Material Risk Takers (MRTs) in accordance with the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung, “InstVV”).

Supervisory Board Report and Disclosure

The third section provides information on the structure and level of compensation for Supervisory Board members of Deutsche Bank AG.

Management Board Compensation Report

Management Board Compensation Governance

Compensation Control Committee	Supervisory Board	Annual General Meeting
Prepares the resolutions about the compensation system and the compensation level and presents these to the Supervisory Board.	Takes decisions about the compensation system and the compensation level. The concluded compensation system is presented to the Annual General Meeting.	Takes decision about the approval of the compensation system.

The Supervisory Board, as a plenary body, is responsible for the structuring of the compensation system for the members of the Management Board as well as for determining their individual compensation. The Supervisory Board is supported by the Compensation Control Committee. The Compensation Control Committee controls and supports the appropriate structuring of the compensation system and prepares the resolutions of the Supervisory Board regarding the individual compensation of the Management Board members. In addition, the Compensation Control Committee and/or the Supervisory Board will consult independent external consultants where this is considered necessary.

The Compensation Control Committee currently comprises four members. In accordance with regulatory requirements, at least one must have sufficient expertise and professional experience in the area of risk management and risk controlling and at least one other must be an employee representative.

The Supervisory Board regularly reviews the compensation system for the members of the Management Board. In the case of a change or restructuring of the compensation framework, the Supervisory Board also uses the possibility provided in § 120 (4) of the German Stock Corporation Act (Aktiengesetz – AktG) for the General Meeting to approve the system of compensation for Management Board members.

The Supervisory Board resolved new compensation structures for the 2017 financial year which it presented to the General Meeting for approval in May 2017. The General Meeting granted its approval with a large majority of 97 %.

Principles of the Management Board Compensation and the Compensation System

Numerous factors are to be considered when structuring the compensation system and determining individual compensation. These factors can be summarized as specific remuneration principles. The following overview shows the core remuneration principles which have an impact on both the compensation system and the individual remuneration and must therefore be taken into consideration by the Supervisory Board when passing a resolution on questions of remuneration.

When passing a resolution on the structure and determination of compensation, the Supervisory Board considers in particular:

Governance	The structuring of the compensation system and determination of individual remuneration takes place within the framework of the statutory and regulatory requirements. The Supervisory Board's objective is to offer, within the regulatory requirements, a compensation package that continues to be in line with customary market practices and is therefore competitive.
Group Strategy	Through the structure of the compensation system the members of the Management Board are to be motivated to achieve the objectives set out in the Bank's strategies, to work continuously towards the positive development of the Group and to avoid unreasonably high risks.
Collective and Individual Performance of the Management Board Members	The variable, performance-related compensation is determined on the basis of the level of achievement of previously agreed objectives. For this purpose, collective and Deutsche Bank Group-related objectives applying equally to all Management Board members are set. In addition, the Supervisory Board sets individual objectives for each member of the Management Board separately, which particularly take into account the development of the business, infrastructure or regional areas of responsibility as the case may be. Such objectives may be financial or non-financial.
Regulatory or other compensation caps	Pursuant to the regulatory approaches under CRD 4, the ratio of fixed to variable compensation is generally limited to 1:1 (cap regulation), i.e. the amount of variable compensation must not exceed that of fixed compensation. However, lawmakers have also stipulated that shareholders can resolve to relax the requirement by setting the ratio of fixed to variable compensation to 1:2. In May 2014, the General Meeting approved the aforementioned setting to 1:2 with a large majority of 91 %. The compensation system resolved by the Supervisory Board also provides fixed caps for the individual variable compensation components. In addition, the Supervisory Board is entitled to set an additional cap for the total compensation of the individual members of the Management Board. In the 2017 financial year, the additional cap is € 9.85 million.
Sustainability Aspects	The total variable compensation for Management Board members is currently only to be granted on a deferred basis. Since 2017, a portion of at least 75 % of the deferred variable compensation is to be granted in the form of equity-based compensation components, which only vest no less than five years after the grant in one tranche (cliff vesting) and are subject to an additional retention period of one year. The remaining portion is to be granted as non-equity based compensation component and to vest in identical tranches over a period of four years. During the deferral and retention period, deferred compensation is subject to specific forfeiture provisions.
Interests of the Shareholders	When designing the specific structure of the compensation system, determining individual compensation amounts, and structuring its delivery and allocation, the focus is on ensuring a close link between the interests of both the Management Board members and shareholders. While defining the variable compensation, this is achieved through the utilization of clearly defined key financial figures which are directly linked to the performance of Deutsche Bank.

The compensation system and the compensation structures it encompasses are reflected in the individual Management Board members' contracts.

Compensation Structure since January 2017

– Transparent Compensation Structures
– Clear link between compensation and previously agreed objectives
– Strong emphasis on the interests of the shareholders

Structure and compensation elements of the compensation system

Fixed compensation	Base salary + Contribution to the company pension plan	
Variable compensation	Short-Term Award	Group component Individual component
	+ Long-Term Award	

The compensation system applicable since January 2017 consists of non-performance-related (fixed) and performance-related (variable) components.

Non-Performance-Related Components (Fixed Compensation)

The fixed compensation is not linked to performance and consists of the base salary, contributions to the company pension plan and “other benefits”.

The annual base salary amounts to € 3.4 million for the Chairman of the Management Board. The Deputy Chairmen re-ceive an annual base salary of € 3 million. The annual base salary for the ordinary board members with responsibility for CIB is € 3 million and for all other ordinary board members € 2.4 million.

In addition, the Supervisory Board decided in 2017 to introduce an optional functional allowance. It may be paid to Management Board members who are assigned additional tasks and a particular responsibility extending beyond the assigned regular area of responsibility within the Management Board. The allowance can be a maximum of 100 % of the fixed base salary and is paid for as long as the additional tasks and the particular responsibility are assigned to the Management Board member.

Various factors were considered when determining the appropriate level of the base salary. First, the base salary rewards general assumption of the office of Management Board member and the related overall responsibility of the individual Management Board members. In addition, the compensation paid in the comparable market is taken into account when determining the amount of the base salary. However, a market comparison must take into consideration that the regulatory requirements pursuant to the German Remuneration Ordinance for Institutions (Institutsvergütungsverordnung – InstVV) in connection with Section 25a (5) of the German Banking Act (Kreditwesengesetz) set a cap for variable compensation at 200 % of the fixed compensation. Accordingly, the fixed compensation must be determined in a way that ensures competitive compensation in line with market practice while taking into account the aforementioned requirements. The regulatory cap was implemented in 2014.

The InstVV provides for the possibility to define contributions to the company pension plan as fixed compensation and thus to include these in the basis for calculating the ratio between fixed and variable compensation components. The annual contribution to the company pension plan amounts to € 650,000 for the Chairman of the Management Board, € 1,000,000 for the ordinary board members with responsibility for AM and CIB and € 650,000 for all other ordinary board members.

Additional non-performance-related components include “other benefits”. The “other benefits” comprise the monetary value of non-cash benefits such as company cars and driver services, insurance premiums, expenses for company-related social functions and security measures including payments, if applicable, of taxes on these benefits as well as taxable reimbursements of expenses.

Performance-Related Components (Variable Compensation)

For 2016, the compensation system set forth three components (the Annual Performance Award (APA), the Long-Term Performance Award (LTPA) and the Division Performance Award (DPA)) that together made up the variable compensation. The APA rewarded the achievement of the Bank’s short and medium-term business policy and corporate objectives. Not only was financial success taken into account in the process, but also the conduct towards staff members and clients as part of carrying out business activities. The level of the LTPA was determined on the basis of the relative performance of the Deutsche Bank share in comparison to selected peer institutions on the basis of a three-year assessment and also considered non-financial parameters (so-called Culture & Clients factor). The Division Performance Award sought to reflect the specific characteristics of only the front offices.

For 2017, the compensation system was adjusted in order to substantially simplify the structures of the variable compensation and link compensation to transparent performance criteria. However, the structure still allows for the agreement of individual and divisional objectives alongside collective objectives and makes it possible to achieve competitive pay levels in line with market practice on the basis of the respective member’s area of responsibility and, at the same time, also meets in this respect the regulatory requirements.

The entire variable compensation is performance-related. As of the 2017 financial year, variable compensation will consist of a short term-component and a long-term component:

– the Short-Term Award and
– the Long-Term Award.

Short-Term Award (STA)

The STA is linked to the achievement of short-term and medium-term objectives. Objectives include collective objectives to be achieved by the Management Board as a whole and individual objectives whose achievement level is determined separately for each member of the Management Board.

In order to clearly distinguish collective objectives from individual objectives, the STA is divided into two components:

– the Group Component and
– the Individual Component.

Group Component

The objectives to be achieved form the basis for the calculation of the Group component as part of the STA. The key objective of the Group component is to link the variable compensation for the Management Board to the overall performance of the Bank.

In 2016, the Management Board decided to align part of the variable compensation for non-tariff employees of the Bank more closely with Group performance. This seeks to reward the contribution of all employees to the financial results of the Bank and the achievements in the implementation of its strategy. Management Board compensation is also closely linked to the performance of the Bank using selected key financial figures. The Supervisory Board decided to align the compensation system for the Management Board members more closely with the compensation system for employees. This is achieved by using the performance metrics underlying the Group component in the compensation system for employees as the reference value for the Group component of the STA since 2017.

In accordance with the strategy, four performance metrics constituting important indicators for the capital, risk, cost and return profile of the Bank form the reference value for the Group Component of the STA:

Common Equity Tier 1 (CET1) capital ratio (fully loaded)	The Common Equity Tier-1 Ratio of the Bank in relation to risk-weighted assets.
Leverage Ratio	The Bank´s Tier 1 capital as a percentage of its total leverage exposure pursuant in line with CRR/CRD 4.
Adjusted costs	Total noninterest expenses, excluding restructuring and severance, litigation and impairment of goodwill and other intangibles.
Post-tax return on tangible equity (RoTE)	Net income (or loss) attributable to Deutsche Bank shareholders as a percentage of average tangible shareholders' equity. The latter is the shareholders' equity on the bank´s balance sheet, excluding goodwill and other intangible assets.

The Supervisory Board regularly reviews the selection of the performance metrics. The above four objectives are equally weighted at up to 25 % in the determination of the Group Component of the STA, depending on the achievement level. If, overall, the performance metric-based objectives are not achieved during the period being evaluated, the Supervisory Board may determine that a Group component will not be granted.

Individual Component

The individual component of the STA rewards the achievement of short- and medium-term individual and front office-related objectives. These objectives are established by the Supervisory Board as part of the objective-setting agreement for the respective financial year's performance evaluation. The key objectives are designed to contribute to the applicable business policy and strategic objectives of the Bank, in line with each Management Board member's area of responsibility. Not only is financial success taken into account in the process, but also the conduct towards staff members and clients as part of carrying out business activities. Objectives for the individual component may for example include revenue developments in the course of the year, project-related targets, diversity objectives or other developments in employee or client satisfaction.

As part of the annual objective setting agreement, corresponding key financial figures and/or factors are set for all objectives that will be used to determine the objective achievement level. A maximum of three objectives per financial year is set for each Management Board member. The sum of individually agreed and divisional objectives amounts to a maximum of 90 % of the individual component of the STA, depending on the achievement level of the aforementioned objectives. The Supervisory Board decides on the remaining portion of 10 % of the individual component to reward outstanding contributions over the course of the financial year as an exercise of its discretionary authority. If, overall, the objectives are not achieved during the period being evaluated, the Supervisory Board may determine that an individual component will not be granted.

Minimum, Target and Maximum Values

The sum of Group-wide and individually agreed objectives amounts to a maximum of 40 % of the total variable compensation, depending on the achievement level of the aforementioned objectives. This is designed to ensure that the individual objectives do not primarily determine the value of the variable compensation. If, overall, the objectives are not achieved during the period being evaluated, the Supervisory Board may determine that an STA will not be granted.

			2017
in €	Minimum	Target	Maximum
Chairman			
Group component	0	500,000	1,000,000
Individual component	0	1,400,000	2,800,000
STA total[1]	0	1,900,000	3,800,000
Ordinary Board member			
Group component	0	500,000	1,000,000
Individual component (from - up to)	0	800,000	1,600,000
	0	up to 1,400,000	up to 2,800,000
STA total (from - up to)	**0**	1,300,000	2,600,000
	0	up to 1,900,000	up to 3,800,000

[1] STA: Short-Term Award.

Long-Term Award (LTA)

The Supervisory Board decided to clearly focus on the achievement of long-term objectives when determining the variable compensation. Therefore, the target figure of the LTA constitutes a portion of no less than 60 % of the total variable target compensation. As with the short-term component, the Supervisory Board determines the collective and/or individual long-term objectives for the Management Board members. The achievement level is determined on the basis of the definition of clear performance metrics and/or factors which are to be agreed for these objectives at the beginning of a financial year.

60 % of the variable compensation, as a minimum, relate to the long-term component

The Supervisory Board determines a total of three objectives for each Management Board member. Each objective is equally weighted at 1/3 in the assessment of the LTA. For 2017, the Supervisory Board determined the following three common objectives for all Management Board members.

The **relative performance of the Deutsche Bank** share in comparison to selected peer institutions is an objective within the framework of the LTA. This objective is intended to promote the sustainable performance of the Deutsche Bank share. The long-term nature of this objective is supported by the determination of the Relative Total Shareholder Return (RTSR) on the basis of a three-year assessment. The RTSR of Deutsche Bank is derived from the Total Shareholder Return of Deutsche Bank in relation to the average total shareholder returns of a selected peer group (calculated in Euro). This LTA portion is calculated from the average of the annual RTSR for the last three financial years (compensation year and the two preceding years). If the three-year average of the relative total shareholder return of Deutsche Bank is greater than 100 %, then the value of the RTSR portion increases proportionately to an upper limit of 150 % of the target figure, i.e., the value increases by 1 % for each percentage point above 100 %. If the three-year average of the relative total shareholder return is lower than 100 %, the value declines disproportionately. If the relative total shareholder return is calculated to be in the range of less than 100 % to 80 %, the value of the Award portion is reduced for each lower percentage point by 2 percentage points. In the range between 80 % and 60 %, the value of the Award portion is reduced for each lower percentage point by 3 percentage points. If the three-year average of the RTSR does not exceed 60 %, the value of the Award portion is set to zero.

The peer group used for the calculation of the relative total shareholder return is selected based on the criteria of generally comparable business activities, comparable size and international presence. The Supervisory Board reviews the composition of the peer group regularly.

In 2017, the peer group for the RTSR comprises the following banks:

Peer Group of Deutsche Bank

BNP Paribas	Société Générale	Barclays	Credit Suisse	UBS
Bank of America	Citigroup	JP Morgan Chase	HSBC	

The second objective is linked to the growth and strengthening of the Bank. Within the notion of **organic capital growth** on a net basis, the Supervisory Board sets an objective designed to promote this growth. In order to determine the level of capital growth, the factor "Organic Capital Growth" is calculated. Organic Capital Growth is defined as the balance of the following changes (which are also reported in the Consolidated Statement of Changes in Equity) occurring during the financial year, divided by the Deutsche Bank Shareholders Equity attributable as at December 31 of the previous financial year.

– Total comprehensive income, net of tax
– Coupons on additional equity components, net of tax
– Remeasurement gains (losses) related to defined benefit plans, net of tax
– Option premiums and other effects from options on common shares
– Net gains (losses) on treasury shares sold

Consequently, "non-organic" changes in equity, in particular payment of a dividend or capital increase, are of no relevance to the achievement of the objective.

As before, the third objective is taken from the category “**Culture & Clients**”. In this context, the Supervisory sets an objective which is linked to corporate culture, client satisfaction and dealing with clients. This objective is linked to the sustainable development of the intrabank environment or designed to foster the development of the relationships to clients. As for the 2017 financial year, one objective set by the Supervisory Board for all Management Board members is again the evaluation of the control environment within the Deutsche Bank Group.

The Long Term Award can be a maximum of 150 % of the respective target figures.

Objectives

Objectives are established by the Supervisory Board as part of an objective setting agreement at the beginning of the respective financial year for purposes of performance evaluation. For all objectives, financial figures and/or factors are set from which the achievement level of the objectives is transparently derived. The leeway for the discretionary decision is strictly limited to 3 to 6 % with respect to the total variable compensation.

The allocation of the objectives to the individual compensation components is set out below.

	Relevant indicators	Relative weight
Short-Term Award (STA)	**Group component (1)**	
	CET1 ratio	25 %
	Leverage ratio	25 %
	Adjusted non-interest expenses	25 %
	Post-tax return on tangible equity (RoTE)	25 %
	Individual component (exemplary) (2)	
	Revenue Growth y-o-y versus plan	30 %
	Project-related objectives (realisation, management)	30 %
	Employee Commitment Indes (% y-o-y) / Diversity objectives	30 %
	Adjustment based on informed judgement	10 %
Long-Term Award (LTA) (3)	Relative total shareholder return	33,34 %
	Organic Capital Growth	33,33 %
	Control Environment	33,33 %

(1) Joint strategic key objectives which also form base for the assessment of the group component as part of the compensation system for the employees of DB Group.
(2) Short-term individual and divisional objectives of quantitative and qualitative nature.
(3) Long-term group-wide objections.

Maximum Compensation

Total Compensation/Target and Maximum Values

					2017	2016
	Base salary	STA[1]		LTA[2]	Total compensation	Total compensation
in €		Group component	Individual component			
Chairman						
Target	3,400,000	500,000	1,400,000	3,400,000	8,700,000	9,100,000
Maximum	3,400,000	1,000,000	2,800,000	5,100,000	12,300,000	12,500,000
Ordinary Board member (CIB)						
Target	3,000,000	500,000	1,400,000	2,800,000	7,700,000	8,500,000
Maximum	3,000,000	1,000,000	2,800,000	4,200,000	11,000,000	13,200,000
Ordinary Board member (PCB)						
Target	2,400,000	500,000	1,100,000	2,800,000	6,800,000	5,800,000
Maximum	2,400,000	1,000,000	2,200,000	4,200,000	9,800,000	8,300,000
Ordinary Board member (Deutsche AM)						
Target	2,400,000	500,000	1,300,000	2,800,000	7,000,000	7,000,000
Maximum	2,400,000	1,000,000	2,600,000	4,200,000	10,200,000	10,500,000
Ordinary Board member (Infrastructure/Region)						
Target	2,400,000	500,000	800,000	2,800,000	6,500,000	5,800,000
Maximum	2,400,000	1,000,000	1,600,000	4,200,000	9,200,000	8,000,000

[1] STA: Short-Term Award.
[2] LTA: Long-Term Award.

The total compensation of a Management Board member is subject to additional caps. Due to regulatory requirements, the variable compensation is capped at 200 % of the fixed compensation. In addition, the Supervisory Board again set a cap of € 9.85 million for the overall total compensation for the 2017 financial year. Consequently, compensation is capped at a maximum of € 9.85 million, even where the level of the target achievement would result in higher compensation. The functional allowance which may be granted for a fixed period does not count towards the cap.

Long-Term Incentive and Sustainability

According to the requirements of the InstVV at least 60 % of the total variable compensation must be granted on a deferred basis. Not less than half of this deferred portion may comprise equity-based compensation components, while the remaining portion must be granted as deferred cash compensation. Both compensation components must be deferred over a multi-year period which, for the equity-based compensation components, must be followed by a retention period. During the period until payment or delivery, the compensation portions awarded on a deferred basis may be forfeited. At least half of the maximum of 40 % of the Variable Compensation granted on a non-deferred basis must consist of equity-based compensation components and only the remaining portion may be paid out directly in cash. Of the total Variable Compensation, no more than a maximum of 20 % may be paid out in cash immediately, while at least 80 % are paid or delivered at a later date.

Since 2014, the total variable compensation for Management Board members is only granted on a deferred basis. The compensation system applicable up to and including 2016 provided that the short-term components (APA and DPA) were in principle granted in the form of non-equity-based compensation components ("Restricted Incentive Awards"). However, the long term component (LTPA) was exclusively granted in the form of equity-based compensation components ("Restricted Equity Award").

At least **75 %** of the variable compensation is granted equity-based

In order to bind the Management Board members even closer to the performance of the Bank and the Deutsche Bank share price, the Supervisory Board decided that as of the 2017 financial year, the long-term component (LTA), and in fact no less than 75 % of the total variable compensation, will continue to be granted only in the form of Restricted Equity Awards. Only the short-term component (STA), however, a maximum of 25 % of the total variable compensation, is granted in the form of Restricted Incentive Awards.

The Restricted Incentive Awards vest over a period of four years. The Restricted Equity Awards vest after five years in one tranche (“cliff vesting”) and have an additional retention period of one year. Accordingly, Management Board members are first permitted to dispose of the equities after six years. During the deferral and retention period, the value of the Restricted Equity Awards is linked to the Bank’s share price and is therefore tied to the sustained performance of the Bank. Specific forfeiture provisions apply for Restricted Incentive Awards and Restricted Equity Awards during the deferral and retention period.

The following chart shows the time period for the payment or the delivery of the variable compensation components in the five consecutive years following the grant year as well as the period of a possible clawback.

Timeframe for payment or delivery and non-forfeiture for the Management Board

Awards	Grant year	1st subsequent year	2nd subsequent year	3rd subsequent year	4th subsequent year	5th subsequent year	6th subsequent year	7th subsequent year
Restricted Incentive Awards								
in %		25	25	25	25		100	
Restricted Equity Awards								
in %						100	100	100

■ Vesting and/or non fortfeiture, aligned with payment or delivery.
■ Vesting followed by a retention period until delivery; subject to individual fortfeiture conditions during the retention period.
■ End of possibility to demand the return ('Clawback') of already paid/delivered compensation components.

Forfeiture Conditions / Clawback

Because some of the compensation components are deferred or spread out over several years (Restricted Incentive Awards and Restricted Equity Awards) certain forfeiture conditions are applicable until vesting or the end of the retention periods, in order to create a long-term incentive. Awards may be fully or partially forfeited, for example, due to individual misconduct (including a breach of regulations) or termination for cause, and also due to a negative Group result or individual negative contributions to results. In addition, the Restricted Equity Award will be forfeited completely if the statutory or regulatory minimum requirements for the core capital ratio are not met during this period.

The revision of the InstVV adopted in August 2017 provides inter alia that so-called “clawback provisions” are to be agreed with the members of the management body (Geschäftsleiter) of significant institutions. Contrary to the forfeiture conditions, this clause allows the Supervisory Board to reclaim already paid out or delivered compensation components in response to specific individual negative contributions to results made by the Management Board member. The Supervisory Board had already agreed on such a clause with the Management Board members on the basis of the InstVV draft, which is also in line with the insofar unmodified final version of the InstVV. Thereby, the Supervisory Board successfully fulfilled the obligation set forth in the InstVV to bring the service contracts concluded with the Management Board members in line with the new provisions of the InstVV. The clawback provision is applicable as of the 2018 performance year.

Limitations in the Event of Exceptional Developments

In the event of exceptional developments, the total compensation for each Management Board member is limited to a maximum amount. In addition, the Supervisory Board and the members of the Management Board agreed on a possible limitation of the variable compensation which is included in the service agreements of the Management Board members and according to which the variable compensation may be limited to amounts below the provided maximum amounts or may not be granted altogether. Furthermore, statutory regulations provide that the Supervisory Board may reduce the compensation of the Management Board members to an appropriate level, if the situation of the company deteriorates in such a way following the determination of the compensation that the continuous granting of the compensation would be unreasonable for the company. A payment of variable compensation elements will also not take place if the payment of Variable Compensation components is prohibited or restricted by the competent regulator in accordance with existing statutory requirements.

Shareholding Guidelines

– Long-term commitment of Management Board members to the Bank
– Identification with Deutsche Bank and its shareholders
– Link to performance of the Bank through deferred compensation

All members of the Management Board are required to hold a specified value of Deutsche Bank shares. This requirement fosters the identification of the Management Board members with Deutsche Bank and its shareholders and aims to ensure a sustainable link to the performance of the Bank.

For the Chairman, the number of shares to be held amounts to two times the annual base salary for the Chairman, i.e., the equivalent of € 6,800,000, and for other Management Board members one time the annual base salary for other Management Board members, i.e., the equivalent of € 2,400,000 or € 3,000,000 respectively.

With effect from the 2017 financial year, the former waiting period by which these requirements were to be fulfilled has been replaced by a provision which is linked to the amount of the equity-based variable compensation granted. The share retention obligations must first be fulfilled on the date on which the Management Board member was granted an overall equity based variable compensation corresponding to 1 ⅓ times the retention obligations since his or her appointment to the Management Board. Deferred equity-based compensation may be taken into account at 75 % of its value towards fulfillment of the obligation.

Observance of the requirement is reviewed semi-annually as of June 30 and December 31. If the required number of shares is not met, the Management Board members must correct any deficiencies by the next review. In 2017, all Management Board members fulfilled the retention obligations for shares or are still within the waiting period.

As compensation components are deferred or spread out over several years, another link to the performance of the Deutsche Bank share is established that should generally continue to exist even for the period after leaving the Management Board.

Management Board compensation for the 2017 financial year

Base Salary

In the 2017 financial year, the annual base salary was € 3,400,000 for the Chairman of the Management Board and € 2,400,000 or € 3,000,000 respectively for the other Management Board members. In 2017, Management Board member Stuart Lewis received a functional allowance in the amount of € 300,000; the Supervisory Board conferred on him the additional responsibility of further improving the relationship with U.S. regulators. Garth Ritchie received a functional allowance in the amount of € 250,000; Mr. Ritchie was entrusted with an additional responsibility in connection with the implications of Brexit.

Variable Compensation

Having taken into consideration the stated loss of the Bank for the 2017 financial year, the Management Board – as they already had done for the 2016 financial year – unanimously took the decision to irrevocably waive any entitlement to the determination and grant of variable compensation to the members of the Management Board for the 2017 financial year. The Management Board declared its waiver to the Supervisory Board. Therefore, the Supervisory Board refrained from determining and granting any variable compensation for the Management Board members for the 2017 financial year.

Level of Objective Achievement

The Supervisory Board has taken account of the shareholder criticism expressed at last year's General Meeting with respect to the transparency of the compensation decisions and decided to make available a review of the level of objective achievement. Given the aforementioned waiver by the Management Board, the Supervisory Board refrained from the determination and grant of variable compensation resulting from the objective achievement.

In the financial year 2017, the development of the four performance metrics for the **Group Component of the STA** was as follows: With respect to the Common Equity Tier 1 (CET1) capital ratio, significant progress was made in achieving the target level in accordance with the strategy plan. The 2017 target level was even exceeded. With respect to the leverage ratio, progress was made in achieving the target level in accordance with the strategy plan, even though the interim target level was not fully reached (please refer to section "Leverage Ratio" in the Risk Report for further detail). The desired 2017 interim target level for the adjusted noninterest expenses was reached. The 2017 post-tax-return target was not met.

In sum, the Supervisory Board determined an achievement level of 45 % for the Group Component.

45 % was the objective achievement level of the STA Group component

The **individual component of the STA** is linked to the achievement of short-term and medium-term individual and divisional objectives determined for the Management Board members in 2017.

John Cryan

In 2017, individual objectives for Mr. Cryan included achieving a defined Group performance (Plan-IBIT). Further objectives included the management of the processes for the implementation of the strategy and enhancing cooperation with regulators as well as dealing with regulatory findings and requirements. In addition, diversity targets and specific scores with respect to employee engagement were agreed.

Kimberly Hammonds

Objectives for Ms. Hammonds included the unhampered provision of significant regulatory programs to support business activities and securing availability of the Bank's key IT applications. Further objectives alongside complying with a defined cost budget for 2017 were the remedy of and compliance with supervisory findings and meeting diversity targets and specific scores with respect to employee engagement.

Stuart Lewis

In 2017, objectives for Mr. Lewis included the implementation of defined cost reductions. Another objective was the implementation of important regulatory programs with a risk focus. Finally, Mr. Lewis pursued the objective of immediately remediating supervisory findings and meeting diversity targets and specific scores with respect to employee engagement.

Sylvie Matherat

Completing the establishment of the Compliance and Anti-Financial Crime divisions was one of the objectives agreed with Ms. Matherat. Another objective was to support the divisions in implementing MiFID 2 requirements alongside the immediate remediation of supervisory findings, enhancing internal cooperation and meeting diversity targets and specific scores with respect to employee engagement were further objectives.

James von Moltke

Objectives for Mr. von Moltke included roll out of bank-wide performance management initiatives aimed at establishing an improved culture of accountability and greater transparency and alignment.

Nicolas Moreau

Objectives for Mr. Moreau included generating net inflows in Asset Management. Another objective was to establish Asset Management as an operatively independent unit and to prepare the IPO. Dealing with supervisory findings and meeting diversity targets and specific scores with respect to employee engagement were further objectives.

Garth Ritchie

Objectives for Mr. Ritchie included in particular CIB-related revenue and IBIT-targets. The immediate remediation of supervisory findings as well as meeting diversity targets and specific scores with respect to employee engagement were further objectives.

Karl von Rohr

One of the objectives for Mr. von Rohr was to reduce the number of pending legal disputes. Another objective was related to improving staff planning. The immediate remediation of supervisory findings was equally an objective as was meeting diversity targets and specific scores with respect to employee engagement.

Dr Marcus Schenck

In his role as CFO (up to and including June 2017), individual objectives for Dr Schenck were the successful completion of the capital increase and Finance-related cost targets. As of July 2017, one of the objectives for Dr Schenck as a co-responsible Management Board member for CIB was to meet CIB-related revenue and IBIT targets. In both of his areas of responsibility, his objectives included the remediation of supervisory findings and meeting diversity targets and specific scores with respect to employee engagement.

Christian Sewing

Objectives for Mr. Sewing included a division-related IBIT target for the 2017 financial year. Another objective related to activities to further integrate Postbank. The immediate remediation of supervisory findings was equally an objective as was meeting diversity targets and specific scores with respect to employee engagement.

Werner Steinmüller

For the financial year 2017, a revenue target and a management objective relating to Asia Pacific were individually agreed with Mr. Steinmüller. The remediation of supervisory findings and meeting diversity targets and specific scores with respect to employee engagement were further objectives.

Frank Strauß

The individual objectives agreed with Mr. Strauß for the period as of September 1, 2017 related to managing Deutsche Postbank AG for which he continues to act as CEO. Another objective was to integrate Postbank into Deutsche Bank Group.

Due to the waiver, the level of achievement of the individual performance of the members of the Management Board was not assessed by the Supervisory Board.

Although the RTSR underlying the **LTA** improved year-on-year in 2017, the average performance in the relevant three-year-period (2015 to 2017) was 82.1 % and lay thus below the performance of the peer group. Organic Capital Growth as defined developed negatively in 2017. The strengthening of the control environment was evaluated based on feedback from internal audit and supervisory authorities.

The Supervisory Board determined an overall achievement level of 38 % for the LTA.

38 % was the LTA objective achievement level

Total Compensation

The members of the Management Board collectively received in/for the 2017 financial year compensation (without fringe benefits and pension service costs) totaling € 29,200,000 (2016: € 25,883,333). This amount was for fixed compensation only. € 0 (2016: € 0) was received for performance-related components with long-term incentives.

The Supervisory Board determined the aforementioned compensation on an individual basis for 2017 and 2016 as follows:

						2017	2016
	Base salary	STA[1]		LTA[2]	Total compensation	Functional allowance	Total compensation
in €		Group component	Individual component				
John Cryan	3,400,000	0	0	0	3,400,000	0	3,800,000
Kimberly Hammonds[3]	2,400,000	0	0	0	2,400,000	0	1,000,000
Stuart Lewis	2,400,000	0	0	0	2,400,000	300,000	2,400,000
Sylvie Matherat	2,400,000	0	0	0	2,400,000	0	2,400,000
James von Moltke[4]	1,200,000	0	0	0	1,200,000	0	–
Nicolas Moreau[5]	2,400,000	0	0	0	2,400,000	0	600,000
Garth Ritchie	3,000,000	0	0	0	3,000,000	250,000	2,400,000
Karl von Rohr	2,400,000	0	0	0	2,400,000	0	2,400,000
Dr. Marcus Schenck	2,900,000	0	0	0	2,900,000	0	2,400,000
Christian Sewing	2,900,000	0	0	0	2,900,000	0	2,400,000
Werner Steinmüller[6]	2,400,000	0	0	0	2,400,000	0	1,000,000
Frank Strauß[7]	800,000	0	0	0	800,000	0	–
Jeffrey Urwin[8]	600,000	0	0	0	600,000	0	2,400,000
Jürgen Fitschen[9]	–	–	–	–	–	–	1,583,333
Quintin Price[10]	–	–	–	–	–	–	1,100,000
Total	**29,200,000**	**0**	**0**	**0**	**29,200,000**	**550,000**	25,883,333

[1] STA: Short-Term Award.
[2] LTA: Long-Term Award.
[3] Member since August 1, 2016.
[4] Member since July 1, 2017.
[5] Member since October 1, 2016.
[6] Member since August 1, 2016.
[7] Member since September 1, 2017.
[8] Member until March 31, 2017.
[9] Member until May 19, 2016 / contract termination on May 31, 2016.
[10] Member from January 1 until June 15, 2016.

The table above does not include any compensation elements granted to a member of the Management Board as a replacement for components of compensation that have been forfeited at the previous employer. These are shown in the chapters on share awards and the tables in accordance with the German Corporate Governance Code and DRS 17.

Share awards

The Management Board members declared to the Supervisory Board that they waive the determination and grant of any variable compensation for the 2017 financial year. Therefore, no share awards were to grant with respect to the determination of variable compensation. The same applied for the 2016 financial year.

Management Board members do not receive any compensation for mandates on boards of Deutsche Bank subsidiaries.

Due to his taking up office as Management Board member, James von Moltke forfeited deferred compensation components granted to him by his former employer. Furthermore, he did not receive any pro-rated variable compensation from his previous employer for his employment in 2017, due to him joining Deutsche Bank during the year. The forfeited compensation components and those not granted were substituted at the same value by granting a cash payment, by granting 194,142 Deutsche Bank share awards based on the 2017 DB Equity Plan (Equity Upfront Awards and Restricted Equity Awards) and by deferred cash compensation (Restricted Incentive Awards). The Equity Upfront Awards are subject to a retention period until February 28, 2019; the Restricted Equity Awards will vest between September 1, 2017 and March 1, 2023 and are subsequently subject to a retention period of six and twelve months respectively. Until their allocation, the awards are subject to specific forfeiture provisions.

Pension benefits

The Supervisory Board allocates an entitlement to pension plan benefits to the Management Board members. These entitlements involve a defined contribution pension plan. Under this pension plan, a personal pension account has been set up for each participating member of the Management Board after appointment to the Management Board. A contribution is made annually into this pension account.

Management Board members receive a contribution in the form of a contractually agreed fixed annual amount in Euro. The contribution accrues interest credited in advance, determined by means of an age-related factor, at an average rate of 4 % per year up to the age of 60. From the age of 61 onwards, the contribution made is credited with an annual interest payment of 4 % up to the date of retirement.

The annual contributions, taken together, form the pension amount available to pay the future pension benefit in case of a pension event (age limit, disability or death). The pension right is vested from the start.

The following table shows the annual contributions, the interest credits, the account balances and the annual service costs for the years 2017 and 2016 as well as the corresponding defined benefit obligations for each member of the Management Board in office in 2017 as of December 31, 2017 and December 31, 2016. The different balances are attributable to the different lengths of service on the Management Board, the respective age-related factors, and the different contribution rates, as well as the individual pensionable compensation amounts and the previously mentioned additional individual entitlements.

Members of the Management Board	Annual contribution, in the year		Interest credit, in the year		Account balance, end of year		Service cost (IFRS), in the year		Present value of the defined benefit obligation (IFRS), end of year	
in €	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
John Cryan	728,000	754,000	0	0	1,875,250	1,147,250	748,829	821,114	1,916,940	1,221,303
Kimberly Hammonds[1]	936,000	250,001	0	0	1,186,001	250,001	842,110	270,466	1,091,041	275,563
Stuart Lewis	871,000	556,000	0	0	3,213,938	2,342,938	807,465	546,402	3,377,866	2,555,844
Sylvie Matherat	786,500	500,000	0	0	1,373,168	586,668	774,917	517,352	1,354,995	613,025
James von Moltke[2]	503,750	-	0	-	503,750	-	451,453	-	463,619	-
Nicolas Moreau[3]	1,340,000	347,500	0	0	1,687,500	347,500	1,232,878	442,672	1,591,229	450,380
Garth Ritchie	1,500,000	1,550,000	0	0	3,050,000	1,550,000	1,306,915	1,443,171	2,704,127	1,475,820
Karl von Rohr	871,000	556,000	0	0	1,523,001	652,001	807,465	546,402	1,434,564	647,482
Dr. Marcus Schenck	1,105,500	556,000	0	0	2,189,501	1,084,001	1,018,267	546,402	2,051,090	1,041,150
Christian Sewing	1,046,500	1,085,500	0	0	2,824,000	1,777,500	899,307	984,198	2,450,830	1,592,460
Werner Steinmüller[4]	650,000	166,667	6,667	0	823,334	166,667	701,617	164,232	907,793	169,445
Frank Strauß[5]	348,834	-	0	-	348,834	-	313,391	-	321,839	-
Jeffrey Urwin[6]	500,000	2,000,000	20,000	0	0[7]	2,000,000	557,370	2,036,367	0	2,090,722

[1] Member since August 1, 2016.
[2] Member since July 1, 2017.
[3] Member since October 1, 2016.
[4] Member since August 1, 2016.
[5] Member since September 1, 2017.
[6] Member until March 31, 2017.
[7] The pension entitlement was not vested at the time of the termination of the Management Board membership and was paid in form of a cash compensation in the amount of € 2,520,000.

Other Benefits upon Early Termination

The Management Board members are in principle entitled to receive a severance payment upon early termination of their appointment at the Bank's initiative, provided the Bank is not entitled to revoke the appointment or give notice under the contractual agreement for cause. The circumstances of the early termination of the appointment and the length of service on the Management Board are to be taken into account when determining the amount of the severance payment. The severance payment, as a rule, is two annual compensation amounts and is limited to the claims to compensation for the remaining term of the contract. The calculation of the severance payment is based on the annual compensation for the previous financial year and on the expected annual compensation for the current financial year, if applicable. The severance payment is determined in accordance with the statutory and regulatory requirements, in particular with the provisions of the InstVV.

If a Management Board member leaves office in connection with a change of control, he/she is also, under certain conditions, entitled in principle to a severance payment. The exact amount of the severance payment is determined by the Supervisory Board within its sole discretion. According to the German Corporate Governance Codex, the severance payment will not exceed three annual compensation amounts and is limited to the claims to compensation for the remaining term of the contract. The calculation of the compensation is again based on the annual compensation for the previous financial year.

Jeffrey Urwin left the Management Board with effect from the end of March 31, 2017. Then Management Board service contract was terminated by mutual agreement. There were no further entitlements resulting from the termination agreement.

Expense for Long-Term Incentive Components

The following table presents the compensation expense recognized in the respective years for long-term incentive components of compensation granted for service on the Management Board.

Members of the Management Board	Amount expensed for			
	Share-based compensation components		Cash-based compensation components	
in €	2017	2016	2017	2016
James von Moltke[1]	0	0	671,148	0
Stuart Lewis	955,633	(136,084)[2]	230,974	466,922

[1] Member since July 1, 2017.
[2] Share-based compensation of Management Board members is generally valued based on the share price at each respective reporting date and leads to a negative result in this instance.

Management Board Share Ownership

As of February 16, 2018 and February 17, 2017, respectively, the current members of the Management Board held Deutsche Bank shares as presented below:

Members of the Management Board		Number of shares
John Cryan	2018	13,740
	2017	9,160
Kimberly Hammonds[1]	2018	34,200
	2017	22,800
Stuart Lewis	2018	88,292
	2017	51,347
Sylvie Matherat	2018	0
	2017	0
James von Moltke[2]	2018	0
Nicolas Moreau[3]	2018	0
	2017	0
Garth Ritchie	2018	43,227
	2017	28,778
Karl von Rohr	2018	5,601
	2017	3,737
Dr. Marcus Schenck	2018	78,168
	2017	26,445
Christian Sewing	2018	54,356
	2017	36,249
Werner Steinmüller[4]	2018	119,688
	2017	79,792
Frank Strauß[5]	2018	7,172
Total	**2018**	**444,444**
	2017	258,308

[1] Member since August 1, 2016.
[2] Member since July 1, 2017.
[3] Member since October 1, 2016.
[4] Member since August 1, 2016.
[5] Member since September 1, 2017.

The current members of the Management Board held an aggregate of 444,444 Deutsche Bank shares on February 16, 2018, amounting to approximately 0.02 % of Deutsche Bank shares issued on that date.

The following table shows the number of share awards held by the Management Board members as of February 17, 2017 and February 16, 2018 as well as the number of share awards newly granted, delivered or forfeited in this period.

Members of the Management Board	Balance as of Feb 17, 2017	Granted	Delivered	Forfeited	Balance as of Feb 16, 2018
John Cryan	0	0	0	0	0
Kimberly Hammonds[1]	88,072	14,760	0	0	102,832
Stuart Lewis	166,539	21,889	19,748	8,182	160,498
Sylvie Matherat	10,758	1,423	0	0	12,181
James von Moltke[2]	–	194,142	0	0	194,142
Nicolas Moreau[3]	0	0	0	0	0
Garth Ritchie	549,651	69,085	0	0	618,736
Karl von Rohr	43,456	5,749	0	0	49,206
Dr. Marcus Schenck	216,979	22,241	48,868	0	190,353
Christian Sewing	85,508	11,313	0	0	96,821
Werner Steinmüller[4]	191,879	28,941	0	0	220,821
Frank Strauß[5]	30,732	23,523	7,272	0	46,983

[1] Member since August 1, 2016.
[2] Member since July 1, 2017.
[3] Member since October 1, 2016.
[4] Member since August 1, 2016.
[5] Member since September 1, 2017.

Compensation in accordance with the German Corporate Governance Code (GCGC)

The compensation for the members of the Management Board in accordance with the requirements of section 4.2.5 paragraph 3 of the GCGC is provided below. This comprises the benefits granted for the year under review including the fringe benefits, and including the maximum and minimum achievable compensation for variable compensation components. In addition, the disbursals of fixed compensation and variable compensation (broken down by Restricted Incentive Awards and Restricted Equity Awards) in/for the year under review, broken down into the relevant reference years are reported.

The following table provides the compensation granted for the 2017 and 2016 financial years according to GCGC:

						John Cryan
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	3,400,000	3,400,000	3,400,000	3,400,000	3,800,000	3,800,000
Fringe benefits	220,982	220,982	220,982	220,982	41,795	41,795
Total	**3,620,982**	**3,620,982**	**3,620,982**	**3,620,982**	3,841,795	3,841,795
Variable compensation	0	5,300,000	0	8,900,000	0	5,300,000
thereof:						
Restricted Incentive Awards	0	1,900,000	0	3,800,000	0	1,500,000
Restricted Equity Awards	0	3,400,000	0	5,100,000	0	3,800,000
Total	**0**	**5,300,000**	**0**	**8,900,000**	0	5,300,000
Pension service costs	748,829	748,829	748,829	748,829	821,114	821,114
Total compensation (GCGC)	**4,369,811**	**9,669,811**	**4,369,811**	**13,269,811**	4,662,909	9,962,909
Total compensation[1]	**3,400,000**	**8,700,000**	**3,400,000**	**12,300,000**	3,800,000	9,100,000

[1] Without fringe benefits and pension service costs.

						Kimberly Hammonds[1]
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,400,000	2,400,000	2,400,000	2,400,000	1,000,000	1,000,000
Fringe benefits	260,489	260,489	260,489	260,489	6,035	6,035
Total	**2,660,489**	**2,660,489**	**2,660,489**	**2,660,489**	1,006,035	1,006,035
Variable compensation	0	4,100,000	0	6,800,000	0	1,416,667
thereof:						
Restricted Incentive Awards	0	1,300,000	0	2,600,000	0	416,667
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	1,000,000
Total	**0**	**4,100,000**	**0**	**6,800,000**	0	1,416,667
Pension service costs	842,110	842,110	842,110	842,110	270,466	270,466
Total compensation (GCGC)	**3,502,599**	**7,602,599**	**3,502,599**	**10,302,599**	1,276,501	2,693,168
Total compensation[2]	**2,400,000**	**6,500,000**	**2,400,000**	**9,200,000**	1,000,000	2,416,667

[1] Member since August 1, 2016.
[2] Without fringe benefits and pension service costs.

						Stuart Lewis
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Functional allowance	300,000	300,000	300,000	300,000	0	0
Fringe benefits	206,628	206,628	206,628	206,628	77,938	77,938
Total	**2,906,628**	**2,906,628**	**2,906,628**	**2,906,628**	2,477,938	2,477,938
Variable compensation	0	4,100,000	0	6,800,000	0	3,400,000
thereof:						
Restricted Incentive Awards	0	1,300,000	0	2,600,000	0	1,000,000
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	2,400,000
Total	**0**	**4,100,000**	**0**	**6,800,000**	0	3,400,000
Pension service costs	807,465	807,465	807,465	807,465	546,402	546,402
Total compensation (GCGC)	**3,714,093**	**7,814,093**	**3,714,093**	**10,514,093**	3,024,340	6,424,340
Total compensation[1]	**2,400,000**	**6,500,000**	**2,400,000**	**9,200,000**	2,400,000	5,800,000

[1] Without functional allowance, fringe benefits and pension service costs.

						Sylvie Matherat
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Fringe benefits	16,338	16,338	16,338	16,338	12,905	12,905
Total	**2,416,338**	**2,416,338**	**2,416,338**	**2,416,338**	2,412,905	2,412,905
Variable compensation	0	4,100,000	0	6,800,000	0	3,400,000
thereof:						
Restricted Incentive Awards	0	1,300,000	0	2,600,000	0	1,000,000
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	2,400,000
Total	**0**	**4,100,000**	**0**	**6,800,000**	0	3,400,000
Pension service costs	774,917	774,917	774,917	774,917	517,352	517,352
Total compensation (GCGC)	**3,191,255**	**7,291,255**	**3,191,255**	**9,991,255**	2,930,257	6,330,257
Total compensation[1]	**2,400,000**	**6,500,000**	**2,400,000**	**9,200,000**	2,400,000	5,800,000

[1] Without fringe benefits and pension service costs.

						James von Moltke[1]
				2017		2016
in €	Determined[2]	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	1,200,000	1,200,000	1,200,000	1,200,000	-	-
Fringe benefits	473,299	473,299	473,299	473,299	-	-
Total	**1,673,299**	**1,673,299**	**1,673,299**	**1,673,299**	-	-
Variable compensation	4,858,442	2,050,000	0	3,400,000	-	-
thereof:						
Cash	355,404	0	0	0	-	-
Restricted Incentive Awards	1,600,227	650,000	0	1,300,000	-	-
Equity Upfront Awards	355,404	0	0	0	-	-
Restricted Equity Awards	2,547,407	1,400,000	0	2,100,000	-	-
Total	**4,858,442**	**2,050,000**	**0**	**3,400,000**	-	-
Pension service costs	451,453	451,453	451,453	451,453	-	-
Total compensation (GCGC)	**6,983,194**	**4,174,752**	**2,124,752**	**5,524,752**	-	-
Total compensation[3]	**6,058,442**	**3,250,000**	**1,200,000**	**4,600,000**	-	-

[1] Member since July 1, 2017.
[2] The benefits granted to Mr. von Moltke as a substitute for forfeited awards and not granted variable compensation from his previous employer are displayed under “Variable Compensation.
[3] Without fringe benefits and pension service costs.

						Nicolas Moreau[1]
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,400,000	2,400,000	2,400,000	2,400,000	600,000	600,000
Fringe benefits	59,383	59,383	59,383	59,383	5,239	5,239
Total	**2,459,383**	**2,459,383**	**2,459,383**	**2,459,383**	605,239	605,239
Variable compensation	0	4,600,000	0	7,800,000	0	1,150,000
thereof:						
Restricted Incentive Awards	0	1,800,000	0	3,600,000	0	600,000
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	550,000
Total	**0**	**4,600,000**	**0**	**7,800,000**	0	1,150,000
Pension service costs	1,232,878	1,232,878	1,232,878	1,232,878	442,672	442,672
Total compensation (GCGC)	**3,692,261**	**8,292,261**	**3,692,261**	**11,492,261**	1,047,911	2,197,911
Total compensation[2]	**2,400,000**	**7,000,000**	**2,400,000**	**10,200,000**	600,000	1,750,000

[1] Member since October 1, 2016.
[2] Without fringe benefits and pension service costs.

						Garth Ritchie
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	3,000,000	3,000,000	3,000,000	3,000,000	2,400,000	2,400,000
Functional allowance	250,000	250,000	250,000	250,000	0	0
Fringe benefits	269,457	269,457	269,457	269,457	110,241	110,241
Total	**3,519,457**	**3,519,457**	**3,519,457**	**3,519,457**	2,510,241	2,510,241
Variable compensation	0	4,700,000	0	8,000,000	0	4,600,000
thereof:						
Restricted Incentive Awards	0	1,900,000	0	3,800,000	0	2,400,000
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	2,200,000
Total	**0**	**4,700,000**	**0**	**8,000,000**	0	4,600,000
Pension service costs	1,306,915	1,306,915	1,306,915	1,306,915	1,443,171	1,443,171
Total compensation (GCGC)	**4,826,372**	**9,526,372**	**4,826,372**	**12,826,372**	3,953,412	8,553,412
Total compensation[1]	**3,000,000**	**7,700,000**	**3,000,000**	**11,000,000**	2,400,000	7,000,000

[1] Without functional allowance, fringe benefits and pension service costs.

						Karl von Rohr
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Fringe benefits	23,642	23,642	23,642	23,642	47,730	47,730
Total	**2,423,642**	**2,423,642**	**2,423,642**	**2,423,642**	2,447,730	2,447,730
Variable compensation	0	4,100,000	0	6,800,000	0	3,400,000
thereof:						
Restricted Incentive Awards	0	1,300,000	0	2,600,000	0	1,000,000
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	2,400,000
Total	**0**	**4,100,000**	**0**	**6,800,000**	0	3,400,000
Pension service costs	807,465	807,465	807,465	807,465	546,402	546,402
Total compensation (GCGC)	**3,231,107**	**7,331,107**	**3,231,107**	**10,031,107**	2,994,132	6,394,132
Total compensation[1]	**2,400,000**	**6,500,000**	**2,400,000**	**9,200,000**	2,400,000	5,800,000

[1] Without fringe benefits and pension service costs.

						Dr. Marcus Schenck
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,900,000	2,900,000	2,900,000	2,900,000	2,400,000	2,400,000
Fringe benefits	16,148	16,148	16,148	16,148	23,720	23,720
Total	**2,916,148**	**2,916,148**	**2,916,148**	**2,916,148**	2,423,720	2,423,720
Variable compensation	0	4,400,000	0	7,400,000	0	3,400,000
thereof:						
Restricted Incentive Awards	0	1,600,000	0	3,200,000	0	1,000,000
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	2,400,000
Total	**0**	**4,400,000**	**0**	**7,400,000**	0	3,400,000
Pension service costs	1,018,267	1,018,267	1,018,267	1,018,267	546,402	546,402
Total compensation (GCGC)	**3,934,415**	**8,334,415**	**3,934,415**	**11,334,415**	2,970,122	6,370,122
Total compensation[1]	**2,900,000**	**7,300,000**	**2,900,000**	**10,300,000**	2,400,000	5,800,000

[1] Without fringe benefits and pension service costs.

						Christian Sewing
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,900,000	2,900,000	2,900,000	2,900,000	2,400,000	2,400,000
Fringe benefits	80,307	80,307	80,307	80,307	204,758	204,758
Total	**2,980,307**	**2,980,307**	**2,980,307**	**2,980,307**	2,604,758	2,604,758
Variable compensation	0	4,400,000	0	7,400,000	0	3,400,000
thereof:						
Restricted Incentive Awards	0	1,600,000	0	3,200,000	0	1,600,000
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	1,800,000
Total	**0**	**4,400,000**	**0**	**7,400,000**	0	3,400,000
Pension service costs	899,307	899,307	899,307	899,307	984,198	984,198
Total compensation (GCGC)	**3,879,614**	**8,279,614**	**3,879,614**	**11,279,614**	3,588,956	6,988,956
Total compensation[1]	**2,900,000**	**7,300,000**	**2,900,000**	**10,300,000**	2,400,000	5,800,000

[1] Without fringe benefits and pension service costs.

						Werner Steinmüller[1]
				2017		2016
in €	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,400,000	2,400,000	2,400,000	2,400,000	1,000,000	1,000,000
Fringe benefits	399,424	399,424	399,424	399,424	165,001	165,001
Total	**2,799,424**	**2,799,424**	**2,799,424**	**2,799,424**	1,165,001	1,165,001
Variable compensation	0	4,100,000	0	6,800,000	0	1,416,667
thereof:						
Restricted Incentive Awards	0	1,300,000	0	2,600,000	0	416,667
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	1,000,000
Total	**0**	**4,100,000**	**0**	**6,800,000**	0	1,416,667
Pension service costs	701,617	701,617	701,617	701,617	164,232	164,232
Total compensation (GCGC)	**3,501,041**	**7,601,041**	**3,501,041**	**10,301,041**	1,329,233	2,745,900
Total compensation[2]	**2,400,000**	**6,500,000**	**2,400,000**	**9,200,000**	1,000,000	2,416,667

[1] Member since August 1, 2016.
[2] Without fringe benefits and pension service costs.

Frank Strauß[1]

in €	2017 Determined	2017 Target	2017 Min	2017 Max	2016 Determined	2016 Target
Fixed compensation (base salary)	800,000	800,000	800,000	800,000	-	-
Fringe benefits	26,893	26,893	26,893	26,893	-	-
Total	**826,893**	**826,893**	**826,893**	**826,893**	-	-
Variable compensation	0	1,466,667	0	2,466,667	-	-
thereof:						
Restricted Incentive Awards	0	533,333	0	1,066,667	-	-
Restricted Equity Awards	0	933,333	0	1,400,000	-	-
Total	**0**	**1,466,667**	**0**	**2,466,667**	-	-
Pension service costs	313,391	313,391	313,391	313,391	-	-
Total compensation (GCGC)	**1,140,284**	**2,606,951**	**1,140,284**	**3,606,951**	-	-
Total compensation[2]	**800,000**	**2,266,667**	**800,000**	**3,266,667**	-	-

[1] Member since September 1, 2017.
[2] Without fringe benefits and pension service costs.

Jeffrey Urwin[1]

in €	2017 Determined	2017 Target	2017 Min	2017 Max	2016 Determined	2016 Target
Fixed compensation (base salary)	600,000	600,000	600,000	600,000	2,400,000	2,400,000
Fringe benefits	530	530	530	530	59,763	59,763
Total	**600,530**	**600,530**	**600,530**	**600,530**	2,459,763	2,459,763
Variable compensation	0	0	0	0	0	6,100,000
thereof:						
Restricted Incentive Awards	0	0	0	0	0	3,300,000
Restricted Equity Awards	0	0	0	0	0	2,800,000
Total	**0**	**0**	**0**	**0**	0	6,100,000
Pension service costs	557,370	557,370	557,370	557,370	2,036,367	2,036,367
Total compensation (GCGC)	**1,157,900**	**1,157,900**	**1,157,900**	**1,157,900**	4,496,130	10,596,130
Total compensation[2]	**600,000**	**600,000**	**600,000**	**600,000**	2,400,000	8,500,000

[1] Member until March 31, 2017.
[2] Without fringe benefits and pension service costs.

Jürgen Fitschen[1]

in €	2017 Determined	2017 Target	2017 Min	2017 Max	2016 Determined	2016 Target
Fixed compensation (base salary)	-	-	-	-	1,583,333	1,583,333
Fringe benefits	-	-	-	-	38,937	38,937
Total	-	-	-	-	1,622,270	1,622,270
Variable compensation	-	-	-	-	0	2,208,333
thereof:						
Restricted Incentive Awards	-	-	-	-	0	625,000
Restricted Equity Awards	-	-	-	-	0	1,583,333
Total	-	-	-	-	0	2,208,333
Pension service costs	-	-	-	-	232,666	232,666
Total compensation (GCGC)	-	-	-	-	1,854,936	4,063,269
Total compensation[2]	-	-	-	-	1,583,333	3,791,667

[1] Member until May 19, 2016 / contract termination on May 31, 2016.
[2] Without fringe benefits and pension service costs.

Quintin Price[1]

in €	2017 Determined	2017 Target	2017 Min	2017 Max	2016 Determined	2016 Target
Fixed compensation (base salary)	-	-	-	-	1,100,000	1,100,000
Fringe benefits	-	-	-	-	13,783	13,783
Total	-	-	-	-	1,113,783	1,113,783
Variable compensation	-	-	-	-	0	2,108,333
thereof:						
Restricted Incentive Awards	-	-	-	-	0	1,100,000
Restricted Equity Awards	-	-	-	-	0	1,008,333
Total	-	-	-	-	0	2,108,333
Pension service costs	-	-	-	-	525,143	525,143
Total compensation (GCGC)	-	-	-	-	1,638,926	3,747,259
Total compensation[2]	-	-	-	-	1,100,000	3,208,333

[1] Member from January 1 until June 15, 2016.
[2] Without fringe benefits and pension service costs.

The following table provides the compensation disbursals in/for the 2017 and 2016 financial years according to GCGC

	John Cryan		Kimberly Hammonds[1]		Stuart Lewis		Sylvie Matherat	
in €	2017	2016	2017	2016	2017	2016	2017	2016
Fixed compensation	3,400,000	3,800,000	2,400,000	1,000,000	2,400,000	2,400,000	2,400,000	2,400,000
Functional allowance	0	0	0	0	300,000	0	0	0
Fringe benefits	220,982	41,795	260,489	6,035	206,628	77,938	16,338	12,905
Total	**3,620,982**	3,841,795	**2,660,489**	1,006,035	**2,906,628**	2,477,938	**2,416,338**	2,412,905
Variable compensation	0	0	0	0	999,285	0	0	0
thereof Cash:	0	0	0	0	0	0	0	0
thereof Equity Awards:								
2013 Equity Upfront Award for 2012	0	0	0	0	27,560	0	0	0
2014 Equity Upfront Award for 2013	0	0	0	0	35,498	0	0	0
thereof Restricted Incentive Awards:								
2013 Restricted Incentive Award for 2012	0	0	0	0	377,871	0	0	0
2014 Restricted Incentive Award for 2013	0	0	0	0	357,391	0	0	0
2015 Restricted Incentive Award for 2014	0	0	0	0	200,965	0	0	0
Total	**0**	0	**0**	0	**999,285**	0	**0**	0
Pension service costs	748,829	821,114	842,110	270,466	807,465	546,402	774,917	517,352
Total compensation (GCGC)	**4,369,811**	4,662,909	**3,502,599**	1,276,501	**4,713,378**	3,024,340	**3,191,255**	2,930,257

[1] Member since August 1, 2016.

	James von Moltke[1]		Nicolas Moreau[2]		Garth Ritchie		Karl von Rohr	
in €	2017	2016	2017	2016	2017	2016	2017	2016
Fixed compensation	1,200,000	-	2,400,000	600,000	3,000,000	2,400,000	2,400,000	2,400,000
Functional allowance	0	-	0	0	250,000	0	0	0
Fringe benefits	473,299	-	59,383	5,239	269,457	110,241	23,642	47,730
Total	**1,673,299**	-	**2,459,383**	605,239	**3,519,457**	2,510,241	**2,423,642**	2,447,730
Variable compensation	355,404	-	0	0	0	0	0	0
thereof Cash:	355,404	-	0	0	0	0	0	0
thereof Equity Awards:								
2013 Equity Upfront Award for 2012	0	-	0	0	0	0	0	0
2014 Equity Upfront Award for 2013	0	-	0	0	0	0	0	0
thereof Restricted Incentive Awards:								
2013 Restricted Incentive Award for 2012	0	-	0	0	0	0	0	0
2014 Restricted Incentive Award for 2013	0	-	0	0	0	0	0	0
2015 Restricted Incentive Award for 2014	0	-	0	0	0	0	0	0
Total	**355,404**	-	**0**	0	**0**	0	**0**	0
Pension service costs	451,453	-	1,232,878	442,672	1,306,915	1,443,171	807,465	546,402
Total compensation (GCGC)	**2,480,156**	-	**3,692,261**	1,047,911	**4,826,372**	3,953,412	**3,231,107**	2,994,132

[1] Member since July 1, 2017. The benefits granted to Mr. von Moltke as a substitute for forfeited awards and not granted variable compensation from his previous employer are displayed under "Variable Compensation".
[2] Member since October 1, 2016.

	Dr. Marcus Schenck		Christian Sewing		Werner Steinmüller[1]		Frank Strauß[2]	
in €	2017	2016	2017	2016	2017	2016	2017	2016
Fixed compensation	2,900,000	2,400,000	2,900,000	2,400,000	2,400,000	1,000,000	800,000	-
Functional allowance	0	0	0	0	0	0	0	-
Fringe benefits	16,148	23,720	80,307	204,758	399,424	165,001	26,893	-
Total	**2,916,148**	2,423,720	**2,980,307**	2,604,758	**2,799,424**	1,165,001	**826,893**	-
Variable compensation	0	0	0	0	0	0	0	-
thereof Cash:	0	0	0	0	0	0	0	-
thereof Equity Awards:								
2013 Equity Upfront Award for 2012	0	0	0	0	0	0	0	-
2014 Equity Upfront Award for 2013	0	0	0	0	0	0	0	-
thereof Restricted Incentive Awards:								
2013 Restricted Incentive Award for 2012	0	0	0	0	0	0	0	-
2014 Restricted Incentive Award for 2013	0	0	0	0	0	0	0	-
2015 Restricted Incentive Award for 2014	0	0	0	0	0	0	0	-
Total	**0**	0	**0**	0	**0**	0	**0**	-
Pension service costs	1,018,267	546,402	899,307	984,198	701,617	164,232	313,391	-
Total compensation (GCGC)	**3,934,415**	2,970,122	**3,879,614**	3,588,956	**3,501,041**	1,329,233	**1,140,284**	-

[1] Member since August 1, 2016.
[2] Member since September 1, 2017.

	Jeffrey Urwin[1]		Jürgen Fitschen[2]		Quintin Price[3]	
in €	2017	2016	2017	2016	2017	2016
Fixed compensation	600,000	2,400,000	-	1,583,333	-	1,100,000
Functional allowance	0	0	-	0	-	0
Fringe benefits	530	59,763	-	38,937	-	13,783
Total	**600,530**	2,459,763	**-**	1,622,270	**-**	1,113,783
Variable compensation	0	0	2,079,429	0	-	0
thereof Cash:	0	0	-	0	-	0
thereof Equity Awards:						
2012 Equity Upfront Award for 2011	0	0	24,334	0	-	0
2013 Equity Upfront Award for 2012	0	0	33,348	0	-	0
2014 Equity Upfront Award for 2013	0	0	35,491	0	-	0
2011 Restricted Equity Award for 2010	0	0	71,018	0	-	0
2012 Restricted Equity Award for 2011	0	0	247,666	0	-	0
thereof Restricted Incentive Awards:						
2011 Restricted Incentive Award for 2010	0	0	196,008	0	-	0
2012 Restricted Incentive Award for 2011	0	0	523,818	0	-	0
2013 Restricted Incentive Award for 2012	0	0	511,933	0	-	0
2014 Restricted Incentive Award for 2013	0	0	330,352	0	-	0
2015 Restricted Incentive Award for 2014	0	0	105,461	0	-	0
Total	**0**	0	**2,079,429**	0	**-**	0
Pension service costs	557,370	2,036,367	-	232,666	-	525,143
Total compensation (GCGC)	**1,157,900**	4,496,130	**2,079,429**	1,854,936	**-**	1,638,926

[1] Member until March 31, 2017.
[2] Member until May 19, 2016.
[3] Member since January 1, 2016 / contract termination on May 31, 2016.

In 2015 and 2016, the Supervisory Board had suspended the tranches of deferred compensation elements for the Management Board member Stuart Lewis (who was an active member during the reporting period), Jürgen Fitschen and nine other former Management Board members. In 2017, these Management Board members voluntarily waived their entitlement to a large part of their yet unpaid compensation and, in an agreement with the Supervisory Board, agreed that only € 31.4 million of the € 69.8 million of outstanding Variable Compensation will be disbursed. The compensation elements paid out (or delivered, in the case of equity-based elements) under this agreement in 2017 are included in the above table.

With respect to deferred awards scheduled to be delivered in the first quarter of 2018, the Supervisory Board has confirmed that the performance conditions relating to Group-wide IBIT for the financial year 2017 have been met.

Compensation in accordance with the German Accounting Standard No. 17 (GAS 17)

In accordance with the requirements of the GAS 17, the members of the Management Board collectively received in the 2017 financial year compensation totaling € 37,665,535 (2016: € 26,691,178). Of that, € 29,200,000 (2016: € 25,883,333) was for base salaries, € 2,053,520 (2016: € 807,845) for fringe benefits and € 5,862,015 (2016: € 0) for performance-related components.

In accordance with German Accounting Standard No. 17, the Restricted Incentive Awards, as a deferred, non-equity-based compensation component subject to certain (forfeiture) conditions, must be recognized in the total compensation for the year of their payment (i.e. in the financial year in which the unconditional payment takes place) and not in the year they are originally granted. Based on this the Management Board members individually received the following compensation components for their service on the Management Board for or in the years 2017 and 2016, including the non-performance-related fringe benefits.

Compensation according to GAS 17

	John Cryan		Kimberly Hammonds[1]		Stuart Lewis		Sylvie Matherat	
in €	2017	2016	2017	2016	2017	2016	2017	2016
Compensation								
Performance-related components								
With short-term incentives								
Cash	0	0	0	0	0	0	0	0
With long-term incentives								
Cash-based								
Restricted Incentive Award(s) paid	0	0	0	0	936,228	0	0	0
Share-based								
Equity Upfront Award(s)	0	0	0	0	0	0	0	0
Restricted Equity Award(s)	0	0	0	0	0	0	0	0
Non-performance-related components								
Base salary	3,400,000	3,800,000	2,400,000	1,000,000	2,400,000	2,400,000	2,400,000	2,400,000
Functional allowance	0	0	0	0	300,000	0	0	0
Fringe benefits	220,982	41,795	260,489	6,035	206,628	77,938	16,338	12,905
Total	**3,620,982**	3,841,795	**2,660,489**	1,006,035	**3,842,856**	2,477,938	**2,416,338**	2,412,905

[1] Member since August 1, 2016.

	James von Moltke[1]		Nicolas Moreau[2]		Garth Ritchie		Karl von Rohr	
in €	2017	2016	2017	2016	2017	2016	2017	2016
Compensation								
Performance-related components								
With short-term incentives								
Cash	355,404	-	0	0	0	0	0	0
With long-term incentives								
Cash-based								
Restricted Incentive Award(s) paid	0	-	0	0	0	0	0	0
Share-based								
Equity Upfront Award(s)	355,404	-	0	0	0	0	0	0
Restricted Equity Award(s)	2,547,407	-	0	0	0	0	0	0
Non-performance-related components								
Base salary	1,200,000	-	2,400,000	600,000	3,000,000	2,400,000	2,400,000	2,400,000
Functional allowance	0	-	0	0	250,000	0	0	0
Fringe benefits	473,299	-	59,383	5,239	269,457	110,241	23,642	47,730
Total	**4,931,514**	-	**2,459,383**	605,239	**3,519,457**	2,510,241	**2,423,642**	2,447,730

[1] Member since July 1, 2017.
[2] Member since October 1, 2016.

	Dr. Marcus Schenck		Christian Sewing		Werner Steinmüller[1]		Frank Strauß[2]	
in €	2017	2016	2017	2016	2017	2016	2017	2016
Compensation								
Performance-related components								
With short-term incentives								
Cash	0	0	0	0	0	0	0	-
With long-term incentives								
Cash-based								
Restricted Incentive Award(s) paid	0	0	0	0	0	0	0	-
Share-based								
Equity Upfront Award(s)	0	0	0	0	0	0	0	-
Restricted Equity Award(s)	0	0	0	0	0	0	0	-
Non-performance-related components								
Base salary	2,900,000	2,400,000	2,900,000	2,400,000	2,400,000	1,000,000	800,000	-
Functional allowance	0	0	0	0	0	0	0	-
Fringe benefits	16,148	23,720	80,307	204,758	399,424	165,001	26,893	-
Total	**2,916,148**	2,423,720	**2,980,307**	2,604,758	**2,799,424**	1,165,001	**826,893**	-

[1] Member since August 1, 2016.
[2] Member since September 1, 2017.

	Jeffrey Urwin[1]		Jürgen Fitschen[2]		Quintin Price[3]		Total	
in €	2017	2016	2017	2016	2017	2016	2017	2016
Compensation								
Performance-related components								
With short-term incentives								
Cash	0	0	-	0	-	0	355,404	0
With long-term incentives								
Cash-based								
Restricted Incentive Award(s) paid	0	0	1,667,572	0	-	0	2,603,800	0
Share-based								
Equity Upfront Award(s)	0	0	-	0	-	0	355,404	0
Restricted Equity Award(s)	0	0	-	0	-	0	2,547,407	0
Non-performance-related components								
Base salary	600,000	2,400,000	-	1,583,333	-	1,100,000	29,200,000	25,883,333
Functional allowance	0	0	-	0	-	0	550,000	0
Fringe benefits	530	59,763	-	38,937	-	13,783	2,053,520	807,845
Total	**600,530**	2,459,763	**1,667,572**	1,622,270	-	1,113,783	**37,665,535**	26,691,178

[1] Member until March 31, 2017.
[2] Member until May 19, 2016 / contract termination on May 31, 2016.
[3] Member from January 1 until June 15, 2016.

In 2015 and 2016, the Supervisory Board had suspended the tranches of deferred compensation elements for the Management Board member Stuart Lewis (who was an active member during the reporting period), Jürgen Fitschen and nine other former Management Board members. In 2017, these Management Board members voluntarily waived their entitlement to a large part of their yet unpaid compensation and, in an agreement with the Supervisory Board, agreed that only € 31.4 Million of the € 69.8 Million of outstanding variable compensation will be disbursed. The compensation elements paid out (or delivered, in the case of equity-based elements) under this agreement in 2017 are included in the above table.

With respect to deferred awards scheduled to be delivered in the first quarter of 2018, the Supervisory Board has confirmed that the performance conditions relating to Group-wide IBIT for the 2017 financial year have been met.

Employee Compensation Report

The content of the 2017 Employee Compensation Report is based on the qualitative and quantitative remuneration disclosure requirements outlined in Article 450 No. 1 (a) to (i) Capital Requirements Regulation (“CRR”) in conjunction with Section 16 of the Remuneration Ordinance for Institutions (“Institutsvergütungsverordnung” – “InstVV”).

Regulatory Environment

Ensuring compliance with regulatory requirements is an overarching consideration in our Group Compensation Strategy. We strive to be at the forefront of regulatory changes with respect to compensation and will continue to work closely with our prudential supervisor, the European Central Bank (“ECB”), to be in compliance with all existing and new requirements.

As an EU-headquartered institution, Deutsche Bank is subject to the CRR and Capital Requirements Directive 4 (“CRD 4”) requirements globally, as translated into German national law in the German Banking Act and InstVV. As of August 4, 2017, the revised version of the InstVV became effective. The principal objective of the amendment was to reflect the guidance on sound remuneration policies published by the European Banking Authority (“EBA”) on December 21, 2015. According to the InstVV, all compensation elements must be categorised as either fixed or variable. If a compensation element cannot clearly be categorised as fixed, it is deemed to be variable. We adopted the rules for all of Deutsche Bank’s subsidiaries and branches worldwide to the extent required in accordance with Section 27 InstVV.

Pursuant to CRD 4 and the requirements subsequently adopted in the German Banking Act, Deutsche Bank is subject to a ratio of 1:1 with regard to fixed-to-variable remuneration components, which was increased to 1:2 with shareholder approval on May 22, 2014 with an approval rate of 95.27 %. However, we have determined that individuals within the corporate control functions remain subject to a 1:1 ratio.

As a “significant Institution” within the meaning of the InstVV, Deutsche Bank identifies all employees whose work is deemed to have a material impact on the overall risk profile (“Material Risk Takers” or “MRTs”) as referenced in the InstVV and in accordance with criteria stipulated under the Commission Delegated Regulation (EU) No. 604/2014. MRTs are identified at a Group level and at the level of Group entities which are significant institutions within the meaning of Sec-tion 17 InstVV. The compensation framework for MRTs must comply with specific requirements. Among other things, a significant part (at least 40 %) of the variable compensation has to be deferred over a period of at least three years (for senior management at least 60 % over five years). As a new ex-post risk adjustment instrument from performance year 2018 onwards, significant institutions must have the ability to reduce retained variable compensation components and, in cases of severe misconduct, demand repayment of variable compensation already paid out (“claw-back”). Stricter rules also apply to severance payments, such as the requirement to determine general rules for severance payments including maximum amounts or specific criteria for the calculation of the payments. Moreover, the InstVV establishes more stringent compensation-related documentation and disclosure requirements. Based on thorough analysis, we have determined that our compensation system was already aligned with the revised version of the InstVV to a large extent. Where required, we have been adjusting our relevant policies, processes, and practices.

As a result of sector specific legislation and in accordance with the InstVV, some of Deutsche Bank’s subsidiaries fall under the “Alternative Investments Fund Managers Directive” (“AIFMD”) or the “Undertakings for Collective Investments in Transferable Securities V” Directive (“UCITS V”) and are subject to their respective remuneration provisions. We also identify Material Risk Takers in AIFMD/UCITS V regulated subsidiaries in accordance with the applicable rules and apply the remuneration provisions for MRTs identified according to InstVV also to this group, except for the 1:2 ratio with re-gard to fixed-to-variable components, which does not apply as long as these employees are not identified as MRTs according to InstVV at the same time.

Deutsche Bank also takes into account the guidelines under the “Markets in Financial Instruments Directive II” (“MiFID II”) targeted at employees who engage directly or indirectly with the bank’s clients. Together with the “Minimum Requirements for the Compliance Function” (“MaComp”) circular, these provisions require the implementation of a specific compensation policy, a review of compensation plans and the identification of populations of employees deemed to be “Relevant Persons” to ensure that they act in the best interest of clients.

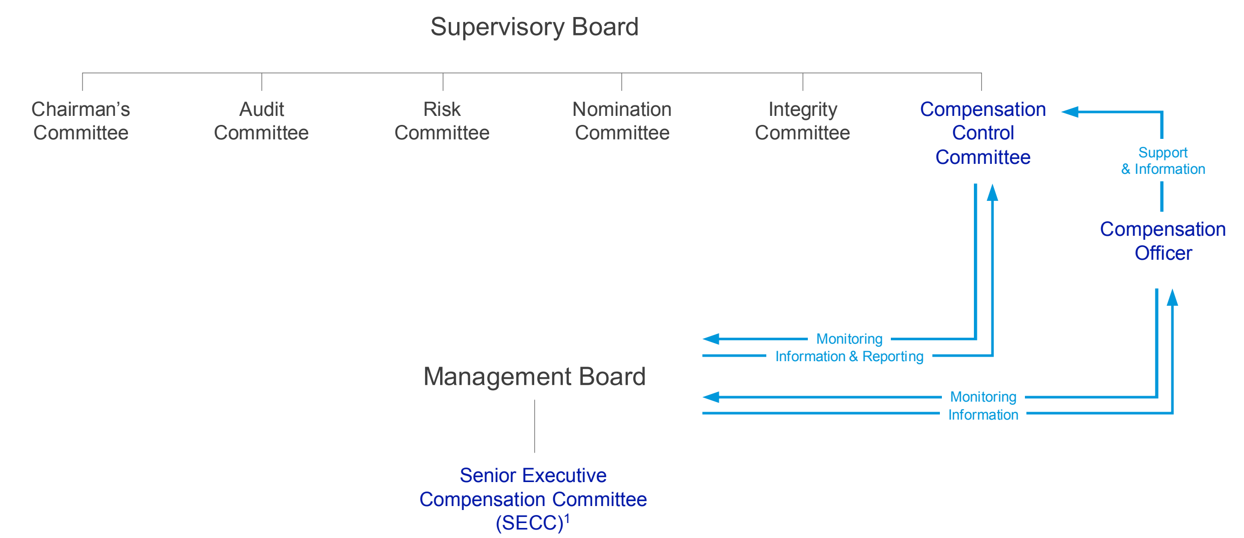
We also adhere to the requirements regarding compensation arrangements contained in the final rule implementing Section 619 of the “Dodd-Frank Wall Street Reform and Consumer Protection Act” globally (the “Volcker Rule”).

Where applicable, Deutsche Bank is also subject to specific rules and regulations implemented by local regulators. Many of these requirements are aligned with the InstVV, however, where variations are apparent, pro-active and open discussions with regulators have enabled us to follow the local regulations whilst ensuring any impacted employees or locations remain within the bank's overall global compensation framework. This includes, for example, the identification of "Covered Employees" in the United States under the requirements of the Federal Reserve Board. In any case, we apply the InstVV requirements as minimum standards globally.

Compensation Governance

Deutsche Bank has a robust governance structure enabling it to operate within the clear parameters of the Compensation Strategy and the Compensation Policies. In accordance with the German two-tier board structure, the Supervisory Board governs the compensation of the Management Board members while the Management Board oversees compensation matters for all other employees in the Group. Both the Supervisory Board and the Management Board are supported by specific committees and functions, in particular the Compensation Control Committee ("CCC") and the Senior Executive Compensation Committee ("SECC"), respectively.

Reward Governance structure



[1] The relevant tasks are performed by the SECC on behalf of the Management Board.

Compensation Control Committee ("CCC")

The Supervisory Board has established the CCC to support in establishing and monitoring the structure of the compensation system for the Management Board Members of Deutsche Bank AG, considering, in particular, the effects on the risks and risk management in accordance with the InstVV. Furthermore, the CCC monitors the appropriateness of the compensation system for the employees, as established by the Management Board and the Senior Executive Compensation Committee. The CCC checks regularly whether the total amount of variable compensation is affordable and set in accordance with the InstVV. The CCC also assesses the impact of the compensation systems on the management of risk, capital and liquidity and seeks to ensure that the compensation systems are aligned to the business and risk strategies. Furthermore, the CCC supports the Supervisory Board in monitoring the MRT identification process and whether the internal control functions and the other relevant areas are properly involved in the structuring of the compensation systems.

The CCC consists of the Chairperson of the Supervisory Board and three further Supervisory Board Members, two from among the employee representatives. It had ten meetings in the calendar year 2017, one of them being a joint meeting with the Risk Committee.

Compensation Officer

The Management Board, in cooperation with the CCC, has appointed a Compensation Officer to support the Supervisory Board and the CCC in performing their compensation related duties. The Compensation Officer is involved in the conceptual review, development, monitoring and the application of the employees' compensation systems on an ongoing basis. The Compensation Officer performs his monitoring obligations independently and provides an assessment on the appropriateness of design and practices of the compensation systems for employees at least annually.

Senior Executive Compensation Committee (“SECC”)

The SECC is a delegated committee established by the Management Board which has the mandate to develop sustainable compensation principles, to prepare recommendations on Total Compensation levels and to ensure appropriate compensation governance and oversight. The SECC establishes the Group Compensation Strategy and Compensation Policy. The SECC also utilizes quantitative and qualitative factors to assess performance as a basis for compensation decisions and makes recommendations to the Management Board regarding the total amount of annual variable compensation and its allocation across business divisions and infrastructure functions.

In order to maintain its independence, only representatives from infrastructure functions who are not aligned to any of the business divisions are members of the SECC. In 2017, the SECC’s membership comprised of the Chief Administration Officer and the Chief Financial Officer as Co-Chairpersons, as well as the Chief Risk Officer (all of whom are Management Board Members), the Global Head of Human Resources as well as an additional representative from both Finance and Risk as Voting Members. The Compensation Officer, the Deputy Compensation Officer and one of the Global Co-Heads of HR Performance & Reward were Non-Voting Members. The SECC generally meets on a monthly basis and it had 16 meetings with regard to the performance-year 2017 compensation process.

Compensation Strategy

Deutsche Bank recognizes that its compensation system plays a vital role in supporting its strategic objectives. It enables us to attract and retain the individuals required to achieve our bank’s objectives. The Group Compensation Strategy is aligned to Deutsche Bank’s strategic objectives and to its corporate values and beliefs.

Five key objectives of our compensation practices

– To support the delivery of the bank’s client-focused, global bank strategy by attracting and retaining talent across its full range of diverse business models and country locations
– To support the long-term, sustainable performance and development of the bank and a corresponding risk strategy
– To promote and support long-term performance based on cost discipline and efficiency
– To ensure that the bank’s compensation practices are safe, by way of risk-adjusting performance outcomes, preventing inappropriate risk taking, ensuring sustained compatibility with capital and liquidity planning, and complying with regulation
– To apply and promote the bank’s corporate values of integrity, sustainable performance, client centricity, innovation, discipline and partnership

Core remuneration principles

– Align compensation to shareholder interests and sustained bank-wide profitability, taking account of risk
– Maximize sustainable performance, both at the employee and the bank-wide level
– Attract and retain the best talent
– Calibrate compensation to reflect different divisions and levels of responsibility
– Apply a simple and transparent compensation design
– Ensure compliance with regulatory requirements

The Group Compensation Policy informs our employees with regard to our Compensation Strategy, governance processes as well as compensation practices and structures. Together, the Group Compensation Strategy and the Group Compensation Policy provide a clear link between compensation practices and the wider Group strategy. Both documents have been published on our intranet site and are available to all employees.

Total Compensation Framework

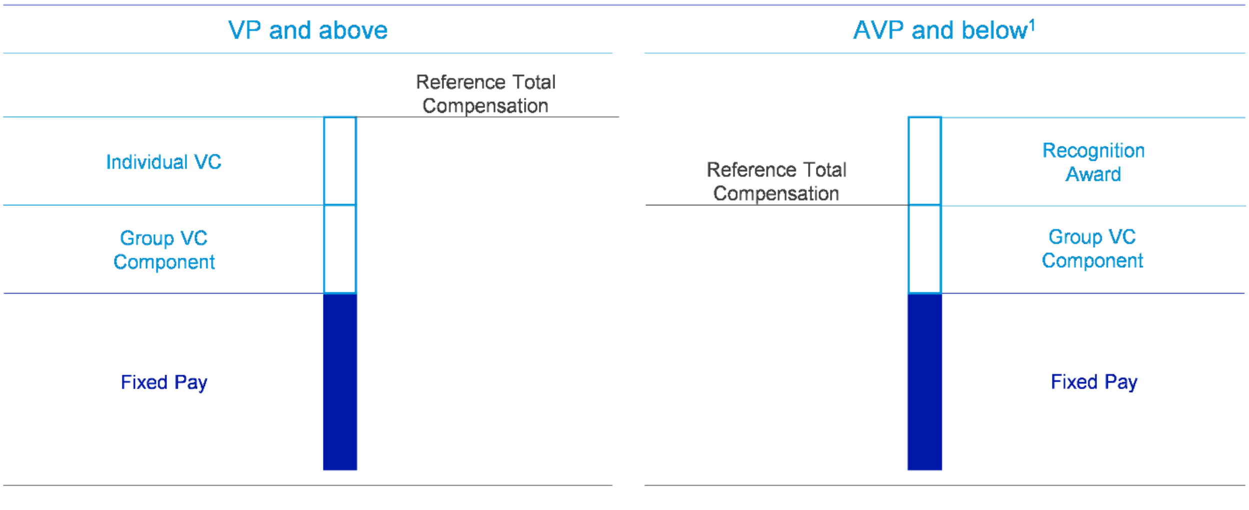
Our compensation framework aligns incentives for sustainable performance at all levels of Deutsche Bank whilst enhancing the transparency of compensation decisions and their impact on shareholders and employees. The framework puts an appropriate balance on Fixed Pay over Variable Compensation (VC) – together the “Total Compensation”.

In 2016, we introduced a new concept of “Reference Total Compensation” for each employee, that describes a reference value for their role. This reference provides our employees orientation on their Fixed Pay and VC. Actual individual Total Compensation can be at, above or below the Reference Total Compensation, based on Group affordability, and performance expectations having been satisfied at Group, divisional and individual levels, as determined by Deutsche Bank at its sole discretion.

Fixed Pay is used to compensate employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role. The appropriate level of Fixed Pay is determined with reference to the prevailing market rates for each role, internal comparisons and applicable regulatory requirements. It plays a key role in permitting us to meet our strategic objectives by attracting and retaining the right talent. For the majority of our employees, Fixed Pay is the primary compensation component, and the share of fixed compensation within Total Compensation is greater than 50 %. This is appropriate to many businesses and will continue to be a significant feature of Total Compensation going forward.

Variable Compensation allows to differentiate individual performance and to drive behavior through appropriate incentive systems that can positively influence culture. It also allows for flexibility in the cost base. VC generally consists of two elements – the “Group VC Component” and the “Individual VC Component”. The “Individual VC Component” is delivered either in the form of “Individual VC” (generally starting at the senior level of Vice President (VP) and above) or as “Recognition Award” (generally starting at the senior level of Assistant Vice President (AVP) and below). Under our compensation framework, there continues to be no guarantee of VC in an existing employment relationship.

Key components of the compensation framework



[1] Some Assistant Vice Presidents and below in select entities and divisions are eligible for Individual VC in lieu of the Recognition Award.

The Group VC Component is based on one of the overarching goals of the compensation framework – to strengthen the link between VC and the performance of the Group. The Management Board decided to align the “Group VC Component” directly and in a manner comprehensible for the employees to Deutsche Bank’s achievements in reaching strategic targets. To assess progress towards the strategic aspirations, four Key Performance Indicators (KPIs) are utilised: Common Equity Tier 1 (CET 1) Capital Ratio (fully loaded), Leverage Ratio, Adjusted Costs, and Post-Tax Return on Tangible Equity (RoTE). These four KPIs represent important metrics for the capital, risk, cost and the revenue profile of our bank and provide an indication of the sustainable performance of Deutsche Bank.

Individual VC takes into consideration a number of financial and non-financial factors, including the applicable divisional performance, the employee's individual performance and conduct, the comparison with the employee's peer group and retention considerations.

Recognition Awards provide the opportunity to acknowledge and reward outstanding contributions made by the employees of lower seniority levels in a transparent and timely manner. Generally, the size of the Recognition Award Program is directly linked to a set percentage of Fixed Pay for the eligible population and it is paid out twice a year, based on a review of nominations and contributions at divisional level.

Total Compensation is complemented by employee benefits which may be linked to employment or seniority, but have no direct link to performance. They are granted in accordance with applicable local market practice and requirements. Recognition Awards and benefits (including company pension schemes) are not part of an employee's Reference Total Compensation.

Determination of Variable Compensation

Deutsche Bank applies a robust methodology when determining Variable Compensation, that reflects the risk-adjusted performance (which includes ex-ante and ex-post risk adjustments) and is primarily driven by (i) Group affordability, i.e. what "can" Deutsche Bank award in alignment with regulatory requirements, and (ii) performance, i.e. what "should" we award in order to provide an appropriate compensation for performance, while protecting the long-term health of the franchise. These aspects apply to both the Group VC Component and the Individual VC Component (whether granted as Individual VC or Recognition Award).

Group affordability is assessed to determine that key parameters are within the projected fulfilment of future regulatory and strategic goals. The affordability parameters used are fully aligned with our "Risk Appetite Framework" and include: CET 1 Capital Ratio, Economic Capital Adequacy Ratio, Leverage Ratio, Stressed Net Liquidity Position and Liquidity Coverage Ratio.

When assessing performance, we reference a range of considerations, including divisional performance. The performance is assessed in context of divisional financial and non-financial targets. The financial targets are subject to appropriate risk-adjustment, in particular by referencing the degree of future potential risks to which Deutsche Bank may be exposed, and the amount of capital required to absorb severe unexpected losses arising from these risks. For the infrastructure functions, the performance assessment is based on the achievement of cost and control targets. While the allocation of VC to infrastructure functions depends on the overall performance of Deutsche Bank, it is not dependent on the performance of the division(s) these functions, particularly independent control functions, oversee.

At the level of the individual employee, we have established "Variable Compensation Guiding Principles", which detail the factors and metrics that must be taken into account when making Individual VC decisions. Our managers must fully appreciate both the absolute and relative risk-taking activities of individuals to ensure that VC allocations are balanced and risk-taking is not inappropriately incentivized. The factors and metrics to be considered include, but are not limited to, divisional risk-adjusted financial and non-financial performance, culture and behavioural considerations, disciplinary sanctions, and individual performance. Managers of Material Risk Takers must document the factors and risk metrics considered when making Individual VC decisions, and demonstrate how these factors influenced the Individual VC decision.

Variable Compensation Structure

Our compensation structures are designed to provide a mechanism that promotes and supports long-term performance of our employees and our bank. Whilst a portion of VC is paid “upfront”, these structures ensure that an appropriate portion is deferred with the aim to ensure alignment to sustainable performance of the Group.

In our bank we continue to believe that the use of shares or share-based instruments for deferred VC is an effective way to align compensation with Deutsche Bank’s sustainable performance and the interests of shareholders. By using Deutsche Bank shares, the value of the individual’s VC is linked to Deutsche Bank’s share price over the deferral and retention period.

As detailed below, we continue to go beyond certain regulatory requirements with the amount of VC that is deferred and Deutsche Bank’s minimum deferral periods. Whilst ensuring lower compensated employees are not unnecessarily subject to deferrals, we ensure an appropriate amount of deferred VC for higher earners, which generally means that where VC is set at or above € 150,000 and in the case of Material Risk Takers employees at or above € 50,000, the portion of deferred VC increases for VC above these levels. Material Risk Takers are on average subject to deferral rates in excess of the minimum 40 % (60 % for Senior Management) as required by InstVV.

Overview on 2017 Award Types

Award Type	Description	Beneficiaries	Deferral Period	Retention Period	Proportion
Cash VC	Upfront cash proportion	All eligible employees	N/A	N/A	MRTs: 50 % of upfront VC Non-MRTs: 100 % of upfront VC
Equity Upfront Award (“EUA”)	Upfront equity proportion: The value of the EUA is linked to Deutsche Bank's share price	All MRTs with VC >= € 50,000	N/A	12 months	50 % of upfront VC
Restricted Incentive Award (“RIA”)[1]	Non-equity based portion (deferred cash compensation)	All employees with deferred VC	Pro rata vesting over four years	N/A	50 % of deferred VC
Restricted Equity Award (“REA”)[1]	Deferred equity portion: The value of the REA is linked to Deutsche Bank's share price over the vesting and retention period	All employees with deferred VC	Pro rata vesting over four years Senior Management: 4.5 year cliff-vesting[2]	6 months for MRTs	50 % of deferred VC

N/A – Not applicable
[1] For certain AIFMD/UCITS V employees: Employee Investment Plan (“EIP”). These are cash settled awards based on the value of funds managed by the business.
[2] For the purposes of performance-year 2017 annual awards, “Senior Management” is defined as the Deutsche Bank’s “Senior Leadership Cadre”, which includes direct reports of Deutsche Bank AG Management Board Members (excluding non-strategic roles), Management Board Members of the bank’s significant institutions (excluding Deutsche Bank AG and Postbank AG for whom other remuneration systems apply) and other senior employees who are significant influencers and stewards of the Deutsche Bank’s long-term health and performance. All Senior Management employees are also considered MRTs.

In addition to the standard Group approach detailed above, we have decided to apply a stricter approach with regard to VC awards granted to Directors and Managing Directors in the Corporate & Investment Bank: The effective deferral threshold for this population is set at € 130,000 (for MRTs at € 50,000) and the proportion of VC that is deferred generally increases faster with increasing levels of the overall amount of compensation awarded than for employees in other areas of the bank, to align their VC even more closely with the sustainable performance of the Group. Furthermore, those Directors and Managing Directors with either Fixed Pay or VC in excess of € 500,000 are subject to a VC deferral of 100 %.

Our employees are not allowed to sell, pledge, transfer or assign a deferred award or any rights in respect to the award. They may not enter into any transaction having an economic effect of hedging any variable compensation, for example offsetting the risk of price movement with respect to the equity-based award. Our Human Resources and Compliance functions work together to monitor employee trading activity and to ensure that all our employees comply with this requirement.

Ex-post Risk Adjustment of Variable Compensation

We believe that the future conduct and performance of our employees are a key element of deferred VC. As a result, all deferred awards are subject to performance conditions and forfeiture provisions as detailed below.

Overview on performance conditions and forfeiture provisions of Variable Compensation

Provision	Description	Forfeiture
Group CET 1 Ratio	If at the quarter end prior to vesting and delivery the Group CET 1 Ratio is below a certain threshold	Next tranche of equity based deferred award due for delivery (100 % of all undelivered Equity Upfront Awards)[1]
Negative Group IBIT	If the Management Board determines that prior to delivery Group IBIT is negative	Next tranche of equity based deferred award due for delivery (applies also to cash based deferred award of MRTs)[2]
Negative Divisional IBIT	If the Management Board determines that prior to delivery Divisional IBIT is negative	Next tranche of deferred award due for delivery (applies only to MRTs in Business Divisions excluding Postbank MRTs)[2]
Forfeiture Provisions[3]	– In the event of an internal policy or procedure breach, breach of any applicable laws or regulations, or a Control Failure – If any award was based on performance measures or assumptions that are later deemed to be materially inaccurate – Where a Significant Adverse Event occurs, and the Participant is considered sufficiently proximate – If forfeiture is required to comply with prevailing regulatory requirements	Up to 100 % of undelivered awards

[1] For award types subject to cliff-vesting, the whole award will be forfeited if at quarter end prior to vesting or settlement the Group CET 1 ratio is below the threshold. For Equity Upfront Awards, the Group CET 1 Ratio is only assessed at the quarter end prior to delivery.
[2] For annual equity-based awards subject to cliff-vesting granted to Senior Management (defined as Deutsche Bank's "Senior Leadership Cadre"), a certain award proportion (20 %) will be forfeited in respect of a year, if the IBIT is negative for that year.
[3] Forfeiture provisions here are not a complete list, other provisions apply as outlined in the respective plan rules.

Compensation Decisions for 2017

Retention Award Program (granted in January 2017)

As already outlined in last year's Employee Compensation Report, in the context of strategic considerations during the 2016 year-end process, a limited number of employees were granted a special long-term incentive ("Retention Award") in early 2017. In order to mitigate retention risks and to protect the franchise, the Management Board had decided to grant these Retention Awards irrespective of individual performance in the previous year to a targeted population of key employees who had been identified as critical to the bank's future success, who are in high demand in the market and who would be very difficult to replace.

Overall, Retention Awards were awarded to 5,522 employees or approximately 5 % of Deutsche Bank's global workforce. € 554 million were granted in deferred cash, and € 554 million were granted in deferred equity. The Retention Awards are fully deferred over a period of three to five years and are subject to the same measures of ex-post risk-adjustment as de-scribed in the chapter "Ex-post Risk Adjustment of Variable Compensation". The earliest pay-out date for parts of these awards is therefore early 2018 for non-Material Risk Takers, as a pro rata vesting over three years, and 2021 for MRTs, respectively. The equity awards for MRTs are subject to an additional retention period of 12 months, meaning that those awards are only fully delivered after six years.

To further align the awards with the long-term health of our bank and the interests of our shareholders, this equity portion will not vest if Deutsche Bank's share price does not reach a certain share price target. If the share price target is met, the equity portion is delivered after three and a half years for non-MRTs, and after five to six years for MRTs taking into ac-count the additional retention period. In line with any other outstanding equity awards, the share price target and number of outstanding shares for unsettled Retention Awards have been adjusted with respect to our rights issue in April 2017.

Although not performance-based, Retention Awards are considered variable compensation pursuant to Section 5 InstVV. For the ratio of 1:1 or 1:2 with regard to fixed to variable remuneration components, Deutsche Bank considers Retention Awards on a pro-rated basis over the deferral period in line with the InstVV. To benefit from these awards, Retention Award recipients need to stay with our bank. If they leave for a competitor, any undelivered portion of an award will be forfeited. At the end of 2017, the attrition rate for employees who have been granted a Retention Award has been lower than the attrition rate for employees who received other deferred awards.

Overview of the structure of the Retention Award Program

Population	Weighting	Proportion	Deferral Period
Material Risk Takers	100 % deferred	50 % cash (RIA)	50 % vest on March 1, 2021, 50 % vest on March 1, 2022
		50 % equity (REA)	50 % vest on March 1, 2021 (plus 12 months retention period), 50 % vest on March 1, 2022 (plus 12 months retention period)
Non-Material Risk Takers	100 % deferred	50 % cash (RIA)	3 year pro rata vesting (March 1, 2018, March 1, 2019, March 1, 2020)
		50 % equity (REA)	Cliff vesting after 3.5 years (due to vest on August 1, 2020)

Year-end considerations and decisions for 2017

For the determination of the total amount of VC for the performance-year 2017, the Management Board had to consider many factors such as the performance at Group and divisional level. However, the assessment of performance has to be complemented by other key factors such as the ongoing focus on achieving the bank's strategic objectives, the impact of competitive positioning on retaining and motivating employees, and a sustainable balance between shareholder and employee interests as required by the bank's "Compensation Strategy".

For the financial year 2017, Deutsche Bank's pre-tax earnings amounted to approximately € 1.2 billion, with solid revenues in many parts of our bank. However, after taxes the bank incurred a loss of € (0.7) billion. The main reason for this loss was the U.S. tax reform which resulted in a one-time tax charge of € 1.4 billion in the fourth quarter of 2017. This tax charge only had a limited impact on the fully-loaded Common Equity Tier 1.

The financial year 2017, as expected, has been strongly influenced by the pursuit of our strategic objectives. As such, restructuring and severance costs as well as litigation charges have continued to affect the full year results. Overall, noticeable progress has been made: We have concluded negotiations on significant litigation items, have continued with our efforts to build a more efficient infrastructure, have invested in digitalisation, and advanced both the integration of Postbank and the partial initial public offering (IPO) of Deutsche Asset Management.

Against this backdrop, the SECC has monitored the affordability of Variable Compensation throughout 2017. It has concluded that, despite Deutsche Bank's overall negative result, the bank's capital and liquidity positions remain comfortably above regulatory minimum requirements, and that therefore affordability parameters are met. In addition, the bank's 2017 financial statements and targets for the financial years 2018 and 2019 exceed both internal risk appetite metrics and expected regulatory minimum requirements.

The determination of the total amount of VC for the performance-year does not only look at the impact on the current year but also on future years. In considering the overall shareholder return, we therefore carefully balance the short-term and long-term return, acknowledging the fact that we are still in the midst of laying the foundations for growth and future success. This includes the required investments in our staff in order to sustain the momentum that has been built over the past years.

After the decision to severely restrict total VC for 2016, another year with drastically reduced variable compensation or no specific recognition of individual performance would have led to attrition risk with respect to both key employees that are critical to our future success as well as many other employees who all worked hard to help our bank navigate through times of continuous change. We have clearly stated multiple times throughout the year that we wanted to return to a normal system of variable remuneration for 2017, including both a "Group VC Component" and "Individual VC Component" of Variable Compensation.

In the context of the above considerations, in line with regulatory requirements, and taking into account the risk-adjusted financial performance, the Management Board has determined a total amount of year-end performance-based VC for 2017 of € 2.2 billion (including the Individual VC Component, the Group VC Component, and Recognition Awards). The Variable Compensation for the Management Board of Deutsche Bank AG is not included in this amount, as it is determined by our Supervisory Board in a separate process. The remuneration of the Management Board for 2017 is detailed in the "Management Board Compensation Report". However, it is also included in the tables and charts below.

As part of the overall 2017 VC awards to be granted in March 2018, the "Group VC Component" was awarded to all eligible employees in line with the assessment of the defined four KPIs, as outlined in the chapter "Total Compensation Frame-work". The Management Board recognizing the considerable contribution of employees and at its discretion determined a target achievement rate of 55 % for 2017.

Compared to 2016, the Total Fixed Pay for 2017 decreased by approximately 4 % from € 8.3 billion to € 8.0 billion, mainly due to headcount reductions. As established by our compensation framework, Fixed Pay continues to remain the primary compensation component for the majority of our employees, especially those at the lower seniority levels.

Disclosure of Total Compensation for 2017

Deutsche Bank decided in 2017 to move infrastructure employees to the divisions they service in order to increase the overall efficiency and collaboration within the Group. This helped to increase our business divisions' responsibility and autonomy with respect to their organizational decisions and processes and led to a significant increase of the number of employees associated with the business divisions compared to 2016 – in particular in the Corporate & Investment Bank as well as in Deutsche Asset Management. Independent Control Functions generally remained in central areas.

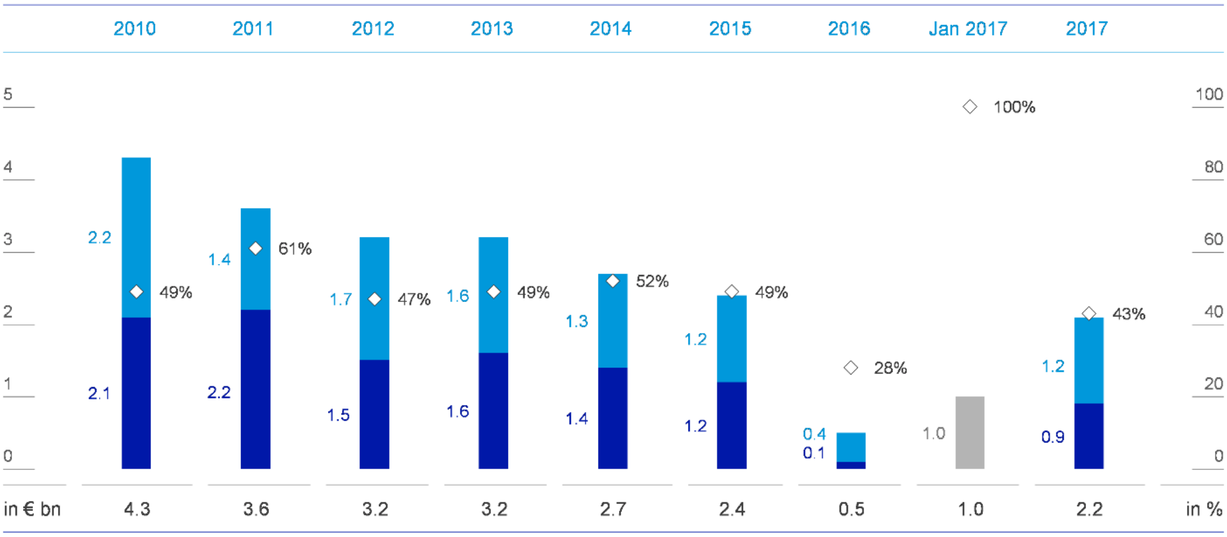
As outlined earlier, the Retention Awards granted in January 2017 are not part of the Variable Compensation granted to employees for their performance in 2017.

Compensation awards for 2017 – all employees

in € m. (unless stated otherwise)[1]	CIB	PCB[2]	Deutsche AM	Independent Control Functions[3]	Corporate Functions[4]	2017 Group Total	2016 Group Total
Number of employees (full-time equivalent) at period end	17,251	43,460	3,803	13,478	19,542	97,535	99,744
Total Compensation	3,881	3,121	635	1,320	1,313	10,270	8,887
Fixed Compensation	2,463	2,834	417	1,131	1,150	7,995	8,341
Year-end performance-based VC	**1,341**	**279**	**195**	**186**	**160**	**2,161**	
Other VC[5]	77	8	23	3	2	113	
Variable Compensation[6]	1,418	287	218	189	163	2,275	546
Retention Award Program (Jan 2017)[7]					0	961	N/A

N/A – Not applicable
1 The table may contain marginal rounding differences.
2 For this table only, PCB figures also include employees of Postbank Group (17,441 employees) as well as Postbank Fixed Pay figures (€ 971 million). Variable Compensation granted by Postbank Group is not included in the above variable amount. For Postbank Group, a total amount of variable remuneration of € 95 million is envisaged.
3 In accordance with regulatory guidance, “Independent Control Functions” for the purposes of this table include the areas of the Chief Risk Officer, Group Audit, Compliance, Anti-Financial Crime, and Human Resources (Central and Regional). Additionally, the bank considers the following infrastructure functions as “Independent Control Functions”: Legal, Global Governance, Group Incident & Investigation Management, Chief Information Security Office, Group Finance, Group Tax, and Regulatory Affairs. All of these functions are subject to a fixed to variable remuneration ratio of 1:1.
4 “Corporate Functions” comprise any infrastructure function that is neither captured as an Independent Control Function nor part of any division for the purposes of this table. This includes, for instance, the areas of the Chief Operating Officer and Corporate Social Responsibility. “Corporate Functions” also includes the remuneration of the Management Board of Deutsche Bank AG.
5 “Other VC” includes other contractual VC commitments in the period such as sign-on awards.
6 “Variable Compensation” includes Deutsche Bank’s year-end performance-based VC awards for the period and the other VC commitments in the relevant period. € 60 million buyouts for new hires (replacement awards for lost entitlements from previous employers) are not included.
7 “Retention Award Program (Jan 2017)” amount includes forfeitures and is FX-adjusted for 2017 (grant value in January 2017 based on 2016 FX: € 1,108 million).

Year-end performance-based Variable Compensation and deferral rates year over year

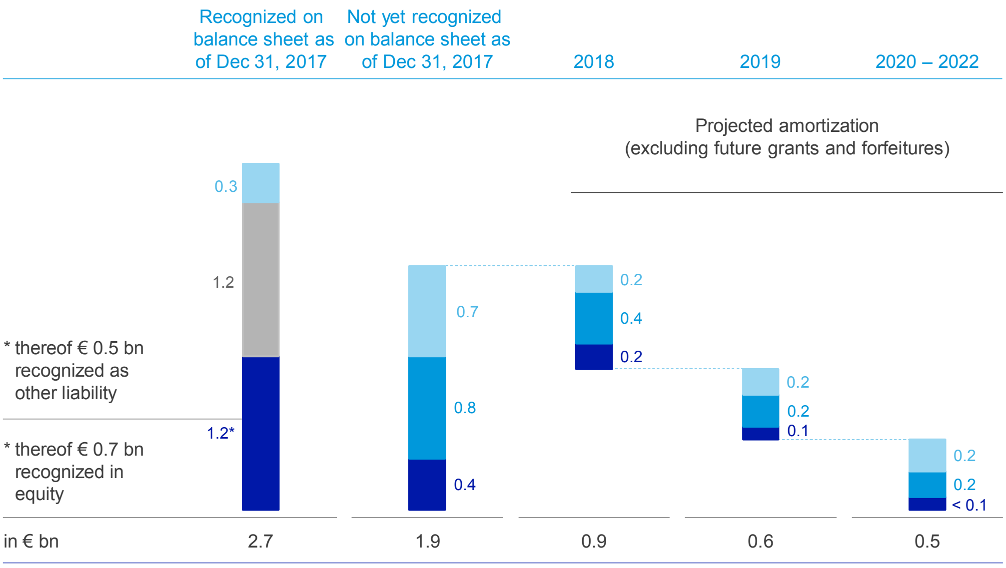


Cash
Deferred
Retention Award Program granted in January 2017 (€ 1.0 billion) including forfeitures (original grant value: € 1.1 billion), 100 % deferred. Retention Awards are not based on performance
◇ Deferral rate in % (i.e. the proportion of the total Variable Compensation that is delivered in deferred awards)
Due to rounding, numbers presented may not add up precisely to the totals provided

Recognition and Amortization of Variable Compensation

As of December 31, 2017, including both awards for financial year 2017 granted in early March 2018 and the Retention Award Program granted in January 2017, unamortized deferred VC expenses amount to approximately € 1.9 billion. The following graph visualizes the amount of VC recognized on the balance sheet for 2017 and the projected future amortization of outstanding VC over the next financial years (future grants and forfeitures excluded).

Year-end performance-based Variable Compensation and Retention Award Program
Recognition as of December 31, 2017 and projected amortization of deferred compensation granted



- Cash portion of Variable Compensation granted for performance year 2017 recognized as part of other liabilities
- Deferred Variable Compensation granted for performance year 2016 or earlier (including € 126 million of performance year 2017 deferred awards recognized as of Dec 31, 2017 due to local regulatory requirements)
- Deferred Variable Compensation granted for performance year 2017
- Retention Award Program (granted in January 2017), 100 % deferred, of which 0.3 billion have been recognized in equity in 2017

Due to rounding, numbers presented may not add up precisely to the totals provided

Of the year-end performance-based VC for 2017, and taking into account the Retention Award Program granted in January 2017, € 1.6 billion is charged to the income statement for 2017 and € 1.5 billion will be charged to future years. In addition, the income statement for 2017 was charged with a VC of € 0.7 billion stemming from prior years' deferrals.

Material Risk Taker Compensation Disclosure

On a global basis, 1,795 employees were identified as Material Risk Takers according to InstVV for financial year 2017, compared to 3,056 employees for 2016. The decline can mainly be attributed to the limited total amount of VC granted for 2016, affecting the quantitative criteria as stipulated under the Commission Delegated Regulation (EU) No. 604/2014.

The remuneration elements for all MRTs identified according to InstVV are detailed in the table below in accordance with Section 16 InstVV and Article 450 CRR. Material Risk Takers and high earners (employees receiving a Total Pay of € 1 million or more) from Postbank are not part of this disclosure and instead included in the compensation report of Postbank. The quantitative disclosure for Material Risk Takers also reflects the employee transfers from infrastructure to business divisions as outlined in the chapter "Compensation Decisions for 2017", and includes the full value of the Retention Award Program granted to MRTs.

Aggregate remuneration for Material Risk Takers according to InstVV

in € m. (unless stated otherwise)[1]	Senior Management[2]	CIB	PCB	Deutsche AM	Independent Control Functions[3]	Corporate Functions[4]	Group Total 2017	Group Total 2016
Number of MRTs (headcount)	231	990	188	82	239	65	1,795	3,056
Number of MRTs (FTE)	226	984	183	82	232	65	1,772	3,047
Total Pay	**477**	**1,468**	**136**	**101**	**130**	**47**	**2,359**	1,648
Total Fixed Pay	**208**	**583**	**58**	**35**	**75**	**23**	**981**	1,438
Total Variable Pay for period	**269**	**886**	**78**	**67**	**56**	**23**	**1,379**	210
thereof:								
Retention Award Program (Jan 2017)[5]							540	0
thereof:								
in cash	133	444	40	27	29	12	683	134
in shares	136	442	39	33	27	11	689	71
in other types of instruments	0	0	0	6	0	0	6	5
Total Variable Pay for period, deferred	**217**	**733**	**47**	**45**	**31**	**14**	**1,087**	106
thereof:								
in cash	106	367	24	16	15	7	535	51
in shares	110	367	24	23	15	7	545	51
in other types of instruments	0	0	0	6	0	0	6	5
Article 450 (1) h(iii) of the CRR in conjunction with article 450 (1) h(iv) of the CRR on deferred variable remuneration from previous years and on explicit risk adjustments								
Total amount of variable pay still outstanding at the beginning of the year that was deferred in previous years	**476**	**997**	**108**	**130**	**45**	**26**	**1,783**	2,318
thereof:								
vested	171	424	39	34	23	13	704	1,009
unvested	306	573	69	96	22	13	1,079	1,309
Deferred Variable Pay awarded, paid out or reduced during period								
awarded during period	158	497	33	38	24	12	762	1,160
paid out during period	118	415	39	33	22	12	639	725
reduced through explicit risk adjustments[6]	0	3	0	0	0	0	3	13
Article 450 (1) h(v) of the CRR on hiring bonuses								
Number of beneficiaries of guaranteed variable remuneration (hiring bonuses)	3	18	0	1	4	1	27	42
Total amount of guaranteed variable pay (hiring bonuses)	1	18	0	1	1	1	21	61
Article 450 (1) h(v) and (vi) of the CRR on severance payments								
Total amount of severance payments granted[7]	2	12	3	0	0	2	21	42
Number of beneficiaries of severance payments granted by headcount/FTE	2	35	6	2	4	4	53	114
Highest severance payment granted to an individual	2	5	2	0	0	1	5	4

1 Figures may include rounding differences. Buyouts not included; Postbank employees and remuneration not included.
2 Refers to Management Board members (including Deutsche Bank AG) and Executive Directors of significant institutions within the meaning of Section 17 InstVV and any other members of the "Senior Leadership Cadre". Supervisory Board Members / Non-Executive Directors of significant institutions are also included in "Senior Management" headcount (thereof 60) and FTE (thereof 58). In case they have only been identified as MRTs due to their Supervisory Board role, they are not included in any other lines as they receive no variable remuneration elements for these activities and as their fixed compensation elements for this role are not meaningful. However, Deutsche Bank AG Supervisory Board members are included in "Senior Management" Total Fixed Pay.
3 In accordance with regulatory guidance, "Independent Control Functions" for the purposes of this table include the areas of the Chief Risk Officer, Group Audit, Compliance, Anti-Financial Crime, and Human Resources (Central and Regional). Additionally, Deutsche Bank considers the following infrastructure functions as "Independent Control Functions": Legal, Global Governance, Group Incident & Investigation Management, Chief Information Security Office, Group Finance, Group Tax, and Regulatory Affairs. All of these functions are subject to a fixed to variable remuneration ratio of 1:1.
4 "Corporate Functions" comprise any infrastructure function that is neither captured as an Independent Control Function nor part of any division for the purposes of this table. This includes, for instance, the areas of the Chief Operating Officer and Corporate Social Responsibility.
5 The Retention Award Program is included in the Variable Pay figures in this table.
6 Taking into account risk adjustments and resignations, outstanding Variable Pay for MRTs amounting to € 122 million was forfeited in 2017.
7 Severance payments are generally paid out in the year in which they have been granted.

Remuneration of high earners

in €	2017 Number of employees (excluding Retention Award Program)[1]
Total Pay	
1,000,000 to 1,499,999	330
1,500,000 to 1,999,999	155
2,000,000 to 2,499,999	85
2,500,000 to 2,999,999	56
3,000,000 to 3,499,999	29
3,500,000 to 3,999,999	21
4.000,000 to 4,499,999	10
4,500,000 to 4,999,999	8
5,000,000 to 5,999,999	4
6,000,000 to 6,999,999	4
7,000,000 to 7,999,999	3
8,000,000 to 8,999,999	0
9,000,000 to 9,999,999	0
10,000,000 to 10,999,999	0
Total	705

[1] Postbank employees not included. Buyouts not included. When considering the Retention Award Program with the full amount granted in January 2017, the total of high earners for 2017 would amount to 1,098 employees.

In total, 705 employees received a Total Pay of € 1 million or more for 2017, compared to 316 employees in 2016 and 756 employees in 2015.

Compensation System for Supervisory Board Members

The compensation principles for Supervisory Board members are set forth in our Articles of Association, which our shareholders amend from time to time at the Annual General Meeting. Such compensation provisions, which were newly conceived in 2013, were last amended by resolution of the Annual General Meeting on May 18, 2017 and became effective on October 5, 2017. Accordingly, the following provisions apply:

The members of the Supervisory Board receive fixed annual compensation (“Supervisory Board Compensation”). The annual base compensation amounts to € 100,000 for each Supervisory Board member. The Supervisory Board Chairman receives twice that amount and the Deputy Chairperson one and a half times that amount.

Members and chairs of the committees of the Supervisory Board are paid additional fixed annual compensation as follows:

	Dec 31, 2017	
Committee in €	Chairperson	Member
Audit Committee	200,000	100,000
Risk Committee	200,000	100,000
Nomination Committee	100,000	50,000
Mediation Committee	0	0
Integrity Committee	200,000	100,000
Chairman’s Committee	100,000	50,000
Compensation Control Committee	100,000	50,000

75 % of the compensation determined is disbursed to each Supervisory Board member after submitting invoices within the first three month of the following year. The other 25 % is converted by the company at the same time into company shares based on the average closing price on the Frankfurt Stock Exchange (Xetra or successor system) during the last ten trading days of the preceding January, calculated to three digits after the decimal point. The share value of this number of shares is paid to the respective Supervisory Board member in February of the year following his departure from the Supervisory Board or the expiration of his term of office, based on the average closing price on the Frankfurt Stock Exchange (Xetra or successor system) during the last ten trading days of the preceding January, provided that the member does not leave the Supervisory Board due to important cause which would have justified dismissal.

In case of a change in Supervisory Board membership during the year, compensation for the financial year will be paid on a pro rata basis, rounded up/down to full months. For the year of departure, the entire compensation is paid in cash; a forfeiture regulation applies to 25 % of the compensation for that financial year.

The company reimburses the Supervisory Board members for the cash expenses they incur in the performance of their office, including any value added tax (VAT) on their compensation and reimbursements of expenses. Furthermore, any employer contributions to social security schemes that may be applicable under foreign law to the performance of their Supervisory Board work shall be paid for each Supervisory Board member affected. Finally, the Chairman of the Supervisory Board will be appropriately reimbursed for travel expenses incurred in performing representative tasks that his function requires and for the costs of security measures required on account of his function.

In the interest of the company, the members of the Supervisory Board will be included in an appropriate amount, with a deductible, in any financial liability insurance policy held by the company. The premiums for this are paid by the company.

Supervisory Board Compensation for the 2017 Financial Year

Individual members of the Supervisory Board received the following compensation for the 2017 financial year (excluding value added tax).

Members of the Supervisory Board in €	Compensation for fiscal year 2017		Compensation for fiscal year 2016	
	Fixed	Thereof payable in 1st quarter 2018	Fixed	Thereof payable in February 2017
Dr. Paul Achleitner[1]	800,000	683,333	800,000	600,000
Stefan Rudschäfski[2]	300,000	225,000	0	0
Alfred Herling[3]	0	0	300,000	300,000
Wolfgang Böhr	200,000	150,000	141,667	106,250
Frank Bsirske	250,000	187,500	250,000	187,500
Dina Dublon	300,000	225,000	300,000	225,000
Jan Duscheck[4]	100,000	75,000	41,667	31,250
Gerhard Eschelbeck[5]	58,333	43,750	0	0
Katherine Garrett-Cox[6]	200,000	150,000	125,000	104,167
Timo Heider	200,000	150,000	200,000	150,000
Sabine Irrgang	200,000	150,000	200,000	150,000
Prof. Dr. Henning Kagermann	250,000	187,500	250,000	187,500
Martina Klee	200,000	150,000	200,000	150,000
Peter Löscher[7]	83,333	83,333	200,000	150,000
Henriette Mark	200,000	150,000	200,000	150,000
Richard Meddings	400,000	300,000	400,000	300,000
Louise Parent	400,000	300,000	333,333	250,000
Gabriele Platscher	200,000	150,000	200,000	150,000
Bernd Rose	200,000	150,000	200,000	150,000
Gerd Alexander Schütz[8]	58,333	43,750	0	0
Prof. Dr. Stefan Simon[9]	216,667	162,500	33,333	25,000
Rudolf Stockem[10]	0	0	116,667	116,667
Dr. Johannes Teyssen	250,000	187,500	216,667	162,500
Georg Thoma[11]	0	0	108,333	108,333
Prof. Dr. Klaus Rüdiger Trützschler[12]	83,333	83,333	200,000	150,000
Total	**5,150,000**	**3,987,500**	5,016,667	3,904,167

[1] Member was re-elected on May 18, 2017.
[2] Member since January 1, 2017.
[3] Member until December 31, 2016.
[4] Member since August 2, 2016.
[5] Member since May 18, 2017.
[6] Member was re-elected on May 19, 2016.
[7] Member until May 18, 2017.
[8] Member since May 18, 2017.
[9] Member since August 23, 2016.
[10] Member until July 31, 2016.
[11] Member until May 28, 2016.
[12] Member until May 18, 2017.

Following the submission of invoices in February 2018, 25 % of the compensation determined for each Supervisory Board member for the 2017 financial year was converted into notional shares of the company on the basis of a share price of € 15.458 (average closing price on the Frankfurt Stock Exchange (Xetra) during the last ten trading days of January 2018, calculated to three digits after the decimal point). Members who left the Supervisory Board in 2017 were paid the entire amount of compensation in cash. For members whose term of office endet in 2017, the total compensation for the period until then, was paid fully in cash.

The following table shows the number of notional shares of the Supervisory Board members, to three digits after the decimal point, that were awarded in the first three month 2018 as part of their 2017 compensation as well as the number of notional shares accured from previous years 2013 to 2016 accumulated during the respective membership in the Supervisory Board and the total amounts paid out in February 2018 for departed or re-elected members.

	Number of notional shares			
Members of the Supervisory Board	Converted in February 2018 as part of the compensation 2017	Total prior-year amounts from 2013 to 2016	Total (cumulative)	In February 2018 payable in €[1]
Dr. Paul Achleitner[2]	7,547.235	34,842.354	42,389.589	538,593
Stefan Rudschäfski[3]	4,851.794	0	4,851.794	0
Wolfgang Böhr	3,234.529	2,039.332	5,273.861	0
Frank Bsirske	4,043.162	9,812.535	13,855.697	0
Dina Dublon	4,851.794	10,445.634	15,297.428	0
Jan Duscheck[4]	1,617.265	564.436	2,181.701	0
Gerhard Eschelbeck[5]	943.404	0	943.404	0
Katherine Garrett-Cox[6]	3,234.529	1,128.872	4,363.401	0
Timo Heider	3,234.529	7,870.476	11,105.005	0
Sabine Irrgang	3,234.529	7,870.476	11,105.005	0
Prof. Dr. Henning Kagermann	4,043.162	10,517.526	14,560.688	0
Martina Klee	3,234.529	8,152.472	11,387.001	0
Peter Löscher[7]	0	8,152.472	8,152.472	126,021
Henriette Mark	3,234.529	8,896.223	12,130.752	0
Richard Meddings	6,469.058	6,861.587	13,330.645	0
Louise Parent	6,469.058	8,294.024	14,763.082	0
Gabriele Platscher	3,234.529	8,614.226	11,848.755	0
Bernd Rose	3,234.529	8,332.230	11,566.759	0
Gerd Alexander Schütz[8]	943.404	0	943.404	0
Prof. Dr. Stefan Simon[9]	3,504.073	451.549	3,955.622	0
Dr. Johannes Teyssen	4,043.162	6,972.511	11,015.673	0
Prof. Dr. Klaus Rüdiger Trützschler[10]	0	8,896.223	8,896.223	137,518
Total	**75,202.803**	158,715.158	**233,917.961**	**802,132**

[1] At a value of € 15.458 based on the average closing price on the Frankfurt Stock Exchange (Xetra or successor system) during the last ten trading days of January 2018.
[2] Member was re-elected on May 18, 2017.
[3] Member since January 1, 2017.
[4] Member since August 2, 2016.
[5] Member since May 18, 2017.
[6] Member was re-elected on May 19, 2016.
[7] Member until May 18, 2017.
[8] Member since May 18, 2017.
[9] Member since August 23, 2016.
[10] Member until May 18, 2017.

All employee representatives on the Supervisory Board, with the exception of Frank Bsirske and Jan Duscheck, are employed by us. In the 2017 financial year, we paid such members a total amount of € 1.13 million in the form of salary, retirement and pension compensation in addition to their Supervisory Board compensation.

We do not provide members of the Supervisory Board with any benefits after they have left the Supervisory Board, though members who are or were employed by us are entitled to the benefits associated with the termination of such employment. During 2017, we set aside € 0.12 million for pension, retirement or similar benefits for the members of the Supervisory Board who are or were employed by us.

With the agreement of the Bank's Management Board, Dr. Paul Achleitner performs representative functions in various ways on an unpaid basis for the Bank and participates in opportunities for referrals of business for the Bank. These tasks are related to the functional responsibilities of the Chairman of the Supervisory Board of Deutsche Bank AG. In this respect, the reimbursement of costs is provided for in the Articles of Association. On the basis of a separate contractual agreement, the Bank provides Dr. Paul Achleitner with infrastructure and support services free of charge for his services in the interest of the Bank. He is therefore entitled to avail himself of internal resources for preparing and carrying out these activities. The Bank's security and car services are available for Dr. Paul Achleitner for use free of charge for these tasks. The Bank also reimburses travel expenses and attendance fees and covers the taxes for any non-cash benefits provided. On September 24, 2012, the Chairman's Committee approved the conclusion of this agreement. The provisions apply for the duration of Dr. Paul Achleitner's tenure as Chairman of the Supervisory Board and are reviewed on an annual basis for appropriateness. Under this agreement between Deutsche Bank and Dr. Achleitner, support services equivalent to € 248,000 (2016: € 225,000) were provided and reimbursements for expenses amounting to € 197,679 (2016: € 234,488) were paid during the 2017 financial year.

Corporate Governance Statement according to Section 289f HGB

The entire Corporate Governance Statement is available on our website under www.db.com/ir/en/reports.htm and is not part of the Management Report.

Internal Control over Financial Reporting

General

Management of Deutsche Bank and its consolidated subsidiaries is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR). Our internal control over financial reporting is a process designed under the supervision of our chairman and our Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS). ICOFR includes our disclosure controls and procedures designed to prevent misstatements.

Risks in Financial Reporting

The main risks in financial reporting are that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud) or the publication of financial statements is not done on a timely basis. These risks may reduce investor confidence or cause reputational damage and may have legal consequences including banking regulatory interventions. A lack of fair presentation arises when one or more financial statement amounts or disclosures contain misstatements (or omissions) that are material. Misstatements are deemed material if they could, individually or collectively, influence economic decisions that users make on the basis of the financial statements.

To confine those risks of financial reporting, management of the Group has established ICOFR with the aim of providing reasonable but not absolute assurance against material misstatements and conducted an assessment of the effectiveness of the Group's internal control over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO recommends the establishment of specific objectives to facilitate the design and evaluate adequacy of a control system. As a result in establishing ICOFR, management has adopted the following financial statement objectives:

– Existence - assets and liabilities exist and transactions have occurred.
– Completeness - all transactions are recorded, account balances are included in the financial statements.
– Valuation - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts.
– Rights and Obligations and ownership - rights and obligations are appropriately recorded as assets and liabilities.
– Presentation and disclosures - classification, disclosure and presentation of financial reporting is appropriate.
– Safeguarding of assets - unauthorized acquisition, use or disposition of assets is prevented or detected in a timely manner.

However, any internal control system, including ICOFR, no matter how well conceived and operated, can provide only reasonable, but not absolute assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for ICOFR may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

Organization of the Internal Control System

Functions Involved in the System of Internal Control over Financial Reporting

Controls within the system of ICOFR are performed by all business functions and infrastructure functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of ICOFR involves staff based mainly in the following functions: Finance, Chief Operating Office and Risk.

Finance is responsible for the periodic preparation of the financial statements and operates independently from the Group's businesses. Within Finance, different departments have control responsibilities which contribute to the overall preparation process:

- Group Finance is responsible for Group-wide activities which include the preparation of Group financial and management information and risk reporting. Group Finance sets the reporting timetables, performs the consolidation and aggregation processes, effects the elimination entries for inter and intra group activities, controls the period end and adjustment processes, compiles the Group financial statements, and considers and incorporates comments as to content and presentation made by senior and external advisors.
  - Transactions, Policy and Advisory is responsible for developing the Group's interpretation of International Financial Reporting Standards and Regulatory Standards and their consistent application within the Group. It provides accounting and regulatory advice and consulting services to Finance and the wider business, and is responsible for the timely resolution of corporate and transaction-specific accounting and regulatory issues.
  - Global Valuation Group and business aligned valuation specialists are responsible for developing policies and minimum standards for valuation, providing related implementation guidance when undertaking valuation control work, and challenging and validating valuation control results. They act as the single point of contact on valuation topics for external parties (such as regulators and external auditors).
  - Finance specialists for businesses or entities are responsible for reviewing the quality of financial data by performing validation and control. They are in close contact with business, infrastructure and legal entity management and employ their specific knowledge to address financial reporting issues arising on products and transactions, as well as validating reserving and other adjustments based on judgment.

- Group Tax is responsible for producing income tax related financial data in conjunction with Finance, covering the assessment and planning of current and deferred income taxes and the collection of tax related information. Group Tax monitors the income tax position and controls the provisioning for tax risks.

- Group Planning & Performance Management is responsible for the Group-wide forecasting and planning activities.

The operation of ICOFR is also importantly supported by the Chief Operating Office and Risk. Although these functions are not directly involved in the financial preparation process, they contribute significantly to the production of financial information:

- Chief Operating Office (COO) is responsible for confirming transactions with counterparties, and performing reconciliations both internally and externally of financial information between systems, depots and exchanges. COO also undertakes all transaction settlement activity on behalf of the Group and performs reconciliations of nostro account balances.
- Chief Risk Office (CRO) is responsible for developing policies and standards for managing credit, market, legal, liquidity operational and vendor risks. CRO identifies and assesses the adequacy of credit, legal and operational provisions.

Controls to Minimize the Risk of Financial Reporting Misstatement

The system of ICOFR consists of a large number of internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties,
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process,
- are preventative or detective in nature,
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include IT general controls such as system access and deployment controls whereas a control with a direct impact could be, for example, a reconciliation which directly supports a balance sheet line item,
- feature automated and/or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.

The combination of individual controls encompasses each of the following aspects of the system of ICOFR:

- Accounting policy design and implementation. Controls to promote the consistent recording and reporting of the Group's business activities on a global basis in accordance with authorized accounting policies.
- Reference data. Controls over reference data in relation to the general ledger and on and off-balance sheet transactions including product reference data.
- New product and transaction approval, capture and confirmation. Controls are intended to ensure the completeness and accuracy of recorded transactions as well as appropriate authorization. Such controls include transaction confirmations which are sent to and received from counterparties to help ensure that trade details are corroborated.

– Reconciliation controls, both external and internal. Inter-system reconciliations are performed between relevant systems for all trades, transactions, positions or relevant parameters. External reconciliations include nostro account, depot and exchange reconciliations.
– Valuation including the independent price verification process (IPV). Finance performs IPV controls at least monthly in order to evaluate the reasonableness of the front office valuation. The results of the IPV processes are assessed on a monthly basis by the Valuation Control Oversight Committee.
– Business aligned valuation specialists focus on valuation approaches and methodologies for various asset classes and perform IPV for complex derivatives and structured products.
– Taxation. Controls are designed to ensure that tax calculations are performed properly and that tax balances are appropriately recorded in the financial statements.
– Reserving and adjustments based on judgment. Controls are designed to ensure reserving and other adjustments based on judgment are authorized and reported in accordance with the approved accounting policies.
– Balance Sheet substantiation. Controls relating to the substantiation of balance sheet accounts to promote the integrity of general ledger account balances based on supporting evidence.
– Consolidation and other period end reporting controls. At period end, all businesses and regions submit their financial data to the Group for consolidation. Controls over consolidation include the validation of accounting entries required to eliminate the effect of inter and intra company activities. Period end reporting controls include general ledger month end close processes and the review of late adjustments.
– Financial Statement disclosure and presentation. Controls over compilation of the financial statements themselves including preparation of disclosure checklists and compliance with the requirements thereof, and review and sign-off of the financial statements by senior Finance management. The financial statements are also subject to approval by the Management Board, and the Supervisory Board and its Audit Committee.

The above controls are performed for primary GAAP IFRS and apply to HGB accordingly. In addition to these controls specific HGB related controls are implemented which include:

Intra-company elimination. Inter-branch reconciliation and elimination are performed for HGB specific balances.

Analytical review. Review of revaluation and reclassification items between IFRS and HGB on branch and parent company level.

Measuring Effectiveness of Internal Control

Each year, management of the Group undertakes a formal evaluation of the adequacy and effectiveness of the system of ICOFR. This evaluation incorporates an assessment of the effectiveness of the control environment as well as individual controls which make up the system of ICOFR taking into account:

– The financial misstatement risk of the financial statement line items, considering such factors as materiality and the susceptibility of the particular financial statement item to misstatement.
– The susceptibility of identified controls to failure, considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires in order to be able to assess whether or not the operation of the system of ICOFR is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the ICOFR evaluation. Information from other sources also form an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings. Such information sources include:

– Reports on audits carried out by or on behalf of regulatory authorities;
– External Auditor reports; and,
– Reports commissioned to evaluate the effectiveness of outsourced processes to third parties.

In addition, Group Audit evaluates the design and operating effectiveness of ICOFR by performing periodic and ad-hoc risk-based audits. Reports are produced summarizing the results from each audit performed which are distributed to the responsible managers for the activities concerned. These reports also provide evidence to support the annual evaluation by management of the overall operating effectiveness of the ICOFR.

As a result of the evaluation, management has concluded that ICOFR is appropriately designed and operating effectively as of December 31, 2017.

Non-financial Statement

Deutsche Bank AG's approach to sustainability is in line with group-wide principles. As parent company, our approach to sustainability includes our affiliated entities. Therefore, our financial statement includes certain group-wide descriptions.

Approach to Sustainability

To inform our approach to sustainability and our non-financial reporting, we identify topics deemed material by our internal and external stakeholders. In doing so, we are guided by the international sustainability standard of the Global Reporting Initiative (GRI). We consider the opinions of our stakeholders and we analyze relevant sources – for example, topics discussed at our Annual General Meeting, the thematic components in sustainability ratings, internal and external media reports and insight from competitor analyses. The topics in this Non-Financial Report reflect the results of the GRI materiality analysis, which has already been carried out in recent years. In 2017 we reviewed the list of material topics, re-categorized certain topics to make them more visible and understandable, and to give due consideration to what is required by the new requirements of the German Commercial Code (Handelsgesetzbuch, "HGB") on the disclosure of non-financial information. In addition, we bundled ESG-related products, namely "social investments" and "impact investments", under "products and services" and we also clarified titles.

In accordance with § 289c (1) HGB the Non-Financial Statement is part of the Management Report. For a comprehensive overview on our approach to sustainability please refer to our separetly published Group non-financial report.

According to § 289c (3 no. 3 and 4) HGB, Deutsche Bank is required to report on all known significant risks in connection with its own business activities and business relations, as well as its products and services that are very likely and have or will have a severely negative impact on material non-financial topics. No such risks were identified.

A description of the business model of Deutsche Bank Group according to sections 289c (1) HGB can be found in the management report starting on page 4 of the Annual Report. The description of the business model is part of Deutsche Bank's separate non-financial statement.

As environmental and human-rights related matters at Deutsche Bank do not fulfil the materiality criteria of § 289c HGB, we disclose relevant information such as our management approach, as well as results on environmental and human-rights related matters in our Group non-financial report outside of the non-financial statement.

We monitor all non-financial topics and their impacts on Deutsche Bank's situation and development closely in order to be able to identify changes of materiality and disclose them accordingly in future reports.

Product Suitability and Appropriateness

In the ordinary course of its business, Deutsche Bank enters into transactions with, or offers products or services to clients. These activities are subject to local laws and regulations that impose requirements in respect of appropriateness and suitability. It is our policy only to undertake activities where the bank is satisfied that a particular product or service is appropriate and suitable for a particular client. Prior to engaging in any activity, we take reasonable steps to determine the appropriateness and suitability.

On January 3, 2018, the Markets in Financial Instruments Directive (MiFID II) – in its relevant national transposition – and Regulation (MiFIR) has come into effect. The new regulations affect the entire bank and all of our client groups. Deutsche Bank has trained its staff, provided timely information to its clients and has made the necessary changes to its technology.

In accordance with MiFID II regulation, we conduct broad market screenings of products to identify those which best fit to our specific customer needs. Our products have to comply with a set of defined requirements e.g. relating to risk, complexity, transparency, after-sales support. We assess the individual product quality and select the product which fits to the desired customer demand and customer investment profile. As a basic principle our rules state, that there should be no sales when it becomes obvious that the customer

– does not need the product
– cannot afford the product mid- to long-term
– has not understood the product
– risk profile of the underlying does not match to the customer

Before starting business with a new external product provider a thorough Due Diligence of the company is conducted to ensure a high standard of quality in line with our own standards and customer needs.

The quality of our investment product offering range is reviewed on an ongoing basis.

We keep records of appropriateness assessments undertaken for specific client groups, including the result, whether the client was given a warning that a product or service is not appropriate for them or they have not provided sufficient information to enable an appropriateness assessment to take place, and in those instances, whether the transaction was still executed.

The New Product Approval (NPA) and Systematic Product Review (SPR) processes, collectively the 'Product Lifecycle' framework, provide the basis for ensuring that we can confidently offer clients our products and services. The framework is established to manage the risks associated with the implementation of new products and services, changes in products and services during their lifecycles and, the process by which they are systematically reviewed to ensure they remain fit for purpose and consistent with the needs, characteristics and objectives of their intended market(s) throughout their lifespans. Applicable globally across all divisions, the respective processes cover different stages of the product lifecycle review with NPA focusing on pre-implementation and SPR on periodic review, post-implementation.

In addition to the above, the New Transaction Approval (NTA) process, applicable to the Corporate and Investment Bank (CIB) division, provides a framework for the coordination, documentation and management of risks associated with entering into a subset of transactions, including the restructure of existing transactions, meeting certain pre-defined, risk-based escalation criteria. Such qualifying transactions, referred to as 'Structured Transactions', are subjected to enhanced levels of due diligence via the framework.

Clearly defined roles and responsibilities, together with standards to measure adherence, training and a Red Flag process to take corrective action, support consistent quality control. Our Product and Structured Transaction frameworks bring together appropriate subject matter experts from various departments in order to identify the correct accounting and regulatory standards as well as legal, compliance and control structure. All product developments must be approved by key control functions, including Compliance and Anti-Financial Crime. NPA councils at the regional and divisional levels must review product developments considered "material", including new risk factors or businesses. In addition, any features causing concern, such as potential reputational impact on the Bank, are referred to the relevant management approval committees, such as the Regional or Group Reputational Risk Committees.

The provisions described, apply to all our business divisions. In addition, we have developed product principles to provide particular protection for our clients in Private & Commercial Bank.

We have developed principles in Private & Commercial Clients (PCC) that define minimum standards for our product lines. They commit us to exclusively offering ethically justifiable and transparent products and services. In addition, we want to offer our clients responsible and foresighted advice that fulfils their needs and clearly shows them the respective benefits and risks.

- Our products relate to the real economy.
- They are transparent and easy to understand.
- They create benefits.
- They serve the individual without being detrimental to the world at large, good i.e. product actively advised should not be connected with:
  - speculation on food scarcity or bottlenecks that might affect the availability of food
  - betting on death, illness, disability or insolvency
  - the manufacture and sale of nuclear weapons, cluster munitions and landmines
  - the promotion or use of child labor
  - criminal acts such as drug trafficking, money laundering, corruption
  - violation of human rights

Processes and Principles are designed in a way that ensures compliance with legal and regulatory requirements (incl. product bans).

Within the Investment Advisory Business, we both offer and advise in-house (manufactured by Deutsche Bank) and 3rd party products (open architecture) which allows us to conduct a broad market screening of products to identify those which best fit to our specific customer needs. We assess the individual product quality and select the product which fits to the desired customer demand and customer investment profile. Our Product Guidelines for Investment and Insurance Products also define explicitly products that are not allowed to be advised to clients, e.g. we do not advise or structure products or include those products in the Discretionary Portfolio Management (DPM) that do invest in soft commodities (agricultural goods) and we do not advise Contract for Difference[1] (CFD) to clients.

Client Satisfaction

Client satisfaction is best reflected in our daily interactions as well as in long-term client relationships we have with our clients. To measure the client's satisfaction we apply different frameworks in our businesses – as described below - depending on client types and preferences.

Corporate & Investment Bank

In order to systematically capture individual institutional clients' perception of our services, we engage in surveys called Broker Reviews at the clients' discretion, to gain a consistent understanding of where we can do better. Here, relationship managers and account owners regularly – usually once or twice per year - engage with the clients' Management to per-sonally assess client satisfaction in detail. As part of a Broker Review, clients engage in a detailed assessment of our relative performance by coverage team and product category, enabling a well-informed dialogue and putting Deutsche Bank in a position to take educated decisions with regards to proposed changes.

To assess client satisfaction amongst corporate clients, GTB and Corporate Finance jointly engage in the "Voice of the Client", covering more than 80 % of our corporate client activities: Since 2015 each year approximately 2,100 key decision makers and service recipients provide detailed feedback which Deutsche Bank uses to create client specific action plans and to guide service and product development initiatives. Based on the feedback, a total of about 4,600 action items have been derived in 2017. The clients and Deutsche Bank review status and quality of follow-ups on these action items. 75 % of participating clients are mostly or fully satisfied with Deutsche Bank's follow-up actions (assessment with 1 or 2 on a five-point scale).

Private & Commercial Bank

PCC Germany and PCC International

The public debate and critical media coverage surrounding Deutsche Bank continued in 2017, as in PCC Germany negative news increased due to footprint rationalization. Clients had to deal with many changes due to the implementation of the strategic reorganization as reduction of branches initiated in 2016.

In 2017 around 259,400 (approximately 3 %) clients from PCC Germany took part in our client satisfaction survey. The continuous increase of the client satisfaction over the last years did not continue in 2017. Although we invested in our new business model and implemented a clearly structured advisory process, we were so far not able to improve scores in every category of our annual client satisfaction survey. Management attention is high on these measures as they receive detailed monthly information of latest client satisfaction index for each branch.

The result of the customer survey enables us to understand our customer needs better. In order to increase the customer satisfaction we benefit from the survey as we contact our customers to find out their expectations. This process includes private clients as well as business clients.

In addition to PCC Germany around 24,000 clients from all PCC International countries took part in our 2017 survey. PCC International, after a slight decline in 2016 and despite the challenges faced in 2017, was able to improve client satisfaction results thanks to improving sales management communication and to client driven campaigns launched; which showed positive results in the target segments of affluent and SMEs customers. On the other hand, the willingness to recommend Deutsche Bank has declined as a direct consequence of the footprint rationalization in some of our countries.

1 A contract for difference (CFD) is a contract between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time (if the difference is negative, then the buyer pays instead to the seller). In effect CFDs are financial derivatives that allow traders to take advantage of prices moving up (long positions) or prices moving down (short positions) on underlying financial instruments and are often used to speculate on those markets.

Client satisfaction index PCC Germany / PCC International

in % (unless stated otherwise)	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Client satisfaction PCC Germany			
Index PCC Germany	71.6	75.4	73.3
With our Services	73.0	77.3	74.7
With our Advice	72.8	76.7	74.2
With actively offered Products and services	67.2	71.0	69.0
Willingness to recommend Deutsche Bank	73.5	76.5	75.4
Number of Clients taking part in the survey	**259,405**	260,960	371,582
Client satisfaction PCC International			
Index PCC International	77.4	77.2	77.2
Willingness to recommend Deutsche Bank	75.5	77.3	77.1
Number of Clients taking part in the survey	**24,272**	24,169	24,084

In 2017 PCC Germany continued with the mystery shopping program, a combination of approximately 2,000 test purchases in branches and a phone survey of around 8,300 existing clients, enquiring about the standard of service and advice we provide. The calls were followed up with a consultation.

PCC International conducted approximately 1,200 test purchases in branches. The Mystery shopping index result has declined, however it remains in a good level when compared with the competition. Within the EQUOS RCB research study in Spain, Deutsche Bank has been awarded as “Best Quality Service Bank” for the third year in a row. EQUOS RCB includes almost all banks and saving banks in Spain. It represents more than 95 % of the Spanish market (entities as well as territory). The Mystery Shooping was performed by the company QUALITY WATCH in Poland, by STIGA in Spain and Portugal.

The Mystery shopping index declined in 2017 for both sub-divisions compared with previous years mainly because of the footprint rationalization (reduction of branches) which impacted the tests performed at the beginning of the year, mainly in Q1 (test results in Q3 are showing a clear recovery, but the year average shows a slight decline). PCC International, after a slight decline in 2016 and despite the challenges faced in 2017, was able to improve client satisfaction results.

For PCC Germany and PCC International the results of the client satisfaction survey and the mystery shopping index are considered during the setting of objectives for our branches. Both are also linked to the performance-related component of the remuneration for our sales staff.

Mystery shopping index PCC Germany / PCC International

in % (unless stated otherwise)	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
PCC Germany			
Mystery Shopping Index	78.5	81.0	80.8
PCC International			
Mystery Shopping Index	74.5	77.3	77.4

Wealth Management

In Q4 of 2017 Deutsche Bank Wealth Management (WM) engaged Scorpio Partnership, a leading research and strategy consultancy to the global wealth sector, to conduct a review of relevant survey data (11 historical projects across multiple regions) providing an external view on WM performance and competitive positioning in both brand and client experience. The review utilized data pulled from Scorpio Partnership’s existing High Net Worth Individuals (HNWI) / Ultra High Net Worth Individuals (UHNWI) insight databases spanning 2014 to 2017.

Broadly the review indicated strong client satisfaction scores for WM, whilst noting regional challenges in brand awareness (global brand awareness in-line with key competitors). However, the report also highlighted reputational risk regarding trust and confidence in Deutsche Bank.

The review underscored that WM clients place more importance on market knowledge, financial research and staff experience than clients of competitor firms, and that WM outperforms in those areas, as well as in stability/security and quality of execution. WM overall client satisfaction is competitive with peers, with WM clients markedly more likely to refer new business to WM (likelihood to refer at 43.6 % vs global WM average of 28.1 %: 2016 data).

Digitization and Innovation

The Digital Revolution is transforming industries, including financial services. We are committed to being a leader in the digital ecosystem and view ourselves as a technology-led company. We use technology to transform our digital capabilities in business, IT, operations and control functions. Digitization has a material impact on all of our businesses and thus all businesses need to include it in their risk assessments. We see digitization as a significant opportunity for our bank.

Governance and Management

Digitization within the bank is aligned to business needs, with ownership residing within the individual business or infrastructure units. Each of the bank's three divisions (Corporate & Investment Bank, Private & Commercial Bank, and Deutsche Asset Management) have dedicated digital leadership functions to drive digital initiatives and transformation within their business division, depending on their requirements.

The divisions are supported and augmented by shared digital and innovation capabilities. Our Innovation Labs are located in Berlin, London, New York, and Silicon Valley. They work in partnership with our businesses to identify solutions in the external ecosystem that enhance, improve and reimagine the way we serve our clients. Data Science & Analytics operates across three hubs in Dublin, London, and Pune. These centres have delivered over 50 proof-of-concepts for several of our businesses using technologies such as our secure, distributed, high-performance data repository and a range of artificial intelligence techniques. The Digital Factory brings together agile, cross-functional teams to deliver digital banking products. We also have a number of external partnerships including Axel Springer Plug & Play, The Floor, H-Farm, and a collaboration with the Massachusetts Institute of Technology (MIT) initiative on the Digital Economy.

Our Global Digital Forum is a group-wide body that facilitates alignment and exchange on digital initiatives between the divisions. It is chaired by the bank's head of Data, Digital Strategy and Innovation. Other members include the digital leaders in each of the divisions. During 2017, we established the Digital Strategy team which ensures that the bank acts in a cohesive and coherent manner on digitization. The Digital Strategy team works closely with the Global Digital Forum members.

Banking in a Digital Ecosystem

We place great emphasis on the ability of technology to enable frictionless interactions with clients. For us, digital is enabling self-service for clients. Digital means delivering our capabilities via scalable platforms in the location and time chosen by the client. For this reason, we are actively building platforms to facilitate market interactions and deliver value for our customers in ways that make their lives easier.

There is a clear rationale behind our approach to digital:

– We have the scale, resources, industry knowledge and maturing digital abilities to turn disruption into opportunity.
– We invite fintechs to participate on our platforms to benefit customers and markets.
– We are evolving our organization to be ever more client-centric. Technology enables us to provide products and services that are brand new and unlike anything before.
– We need to be a driving force on platforms. The platform model allows us to make the most of our capabilities across divisions and create new financial services for our clients.
– Increasingly, we are harnessing our data to understand clients better, make more informed decisions and further strengthen our control functions.

Developments in 2017

Throughout 2017, we have demonstrated significant progress in digitization across all of our divisions.

Corporate & Investment Bank

In our Corporate & Investment Bank, we took an unprecedented step by open-sourcing over 150,000 lines of code from our award-winning Autobahn platform for our investment banking clients. This step enables trading applications from different providers to use Autobahn as a shared foundation and work seamlessly with each Autobahn capability.

In addition to our open-source activities with Autobahn, we also made improvements to the Autobahn platform itself. In August 2017, we introduced Autobahn Click-to-Confirm, which allows an Autobahn client to manage FX, rates and credit trade confirmations online through a secure web-based portal. We also offer Cashflow Confirmation, which allows clients to manage derivative-related cash payments online.

We also deployed the Symphony Communication Services technology platform to the majority of Global Markets' staff and supporting infrastructure. It is a fully deployed encrypted cloud-based collaboration platform, including a mobile app and automated workflows bots, enhancing productivity and communcation across front office and tech and operations teams. Symphony is owned and governed by a consortium of 20 buy and sell side institutions. We were a founding investor at the company launch in 2014.

In the Corporate & Investment Bank we also established several programs focused on Robotic Process Automation (RPA) solutions in different product areas to reduce cost, enhance client service, and improve control over key processes.

We are involved in initiatives to build out distributed ledger technology (blockchain) market infrastructure in collaboration with other banks. We were one of the first banks to participate in the Utility Settlement Coin, a blockchain-based approach for clearing and settling financial transactions between banks with reduced risk and faster execution.

In November 2017, our Global Transaction Bank launched its SWIFT gpi service. This new digital platform offers real-time tracking of payments and same-day use of funds for corporate clients. We view gpi as addressing the real needs of clients globally. Initial feedback has shown that many transactions between continents are rapidly processed end-to-end and with full tracking capabilities.

Our Global Transaction Bank also acquired 12.5 percent stake in the German trade finance start-up, TrustBills. TrustBills is an online auction platform for buying and selling national and international trade receivables.

Private & Commercial Bank

Our continued investment in digital within retail and corporate banking is paying off. Of our Private & Commercial Bank's seven million customers, more than four million bank digitally. In January 2017, we launched digital account opening in Germany, meaning new customers can open an online account in seven minutes. This facility is available to German nationals with a registered address in Germany. On August 29, 2017, we reached our "mobile moment" - the point where the majority of our customers log into their online account via a mobile device.

Through our developer portal, the bank contributes to the efficiency of the markets and allows programmers to test their ideas for digital services of the future. This collaborative approach will both help external parties and us to reduce time-to-market for new products and services for the benefit of our clients.

Our retail deposit marketplace, ZinsMarkt, has been live since May 2017 as an easy-to-use digital marketplace for fiduciary fixed term deposits for Private & Commercial Bank customers. Other partner banks are already offering their fixed term deposits. ZinsMarkt was designed and developed using agile techniques with Deposit Solutions, a German fintech.

We also invested in digitalizing our branch network. During the last two years we equipped our advisors with around 10,000 iPads and developed several apps, the so called Dashboard collection. This enables us to deliver advisory sessions in a state-of-the-art manner and allows us to capture digital signatures for contracts and requests, thereby reducing our paper usage.

At the end of 2017, Private & Commercial Bank launched its first Artificial Intelligence solution using Natural Language Processing and built on IBM Watson technology. This allows our sales support staff to be more effective and quicker in responding to client queries and to focus more on how to create value for them.

In August 2017, Wealth Management rolled out Deutsche Bank Wealth Online in Asia. This platform offers a full spectrum of services, allowing clients to receive portfolio information and investment-related publications, and additionally, to interact with their advisors to execute transactions. Wealth Management is further developing digital ecosystems including the existing next-generation program (NextGen) which saw the launch of the DB NextGen App at the end of 2017.

We are also one of the leading banks in we.trade, a distributed ledger technology platform for trade finance. It allows small and medium-size enterprises using blockchain technology to manage, track, and secure domestic and international trade transactions. we.trade is Joint Venture by nine Banks in ten countries and we are a shareholder.

The success of our digital solutions in the Private & Commercial Bank demonstrates the value of the Digital Factory we established in 2016. In this centre, teams from across the business, technology and compliance sit together and apply agile methodologies to accelerate development cycles. This has delivered multiple improvements to our retail banking Mobile App quickly – essential for the fast-paced world we live in.

The verimi initiative, in which we are founding members, provides cross-industry collaboration between leading German companies. This “master-key” allows customers to use a single sign-on to gain access to a range of services from collaborators and other participants. This is another example of how we deliver digital platforms to facilitate markets and make life easier for clients. Further information can be found at www.verimi.com.

Conduct and Risk

Culture is at the heart of how we operate. It guides our behaviors, conduct and decision-making, as well as how we interact with one another, our clients and society at large.

Definition and Goals

At Deutsche Bank, we are guided by our values of Integrity, Sustainable Performance, Client Centricity, Innovation, Discipline and Partnership which are enshrined in our Code of Business Ethics and Conduct (the Code). The Code sets out the standards of conduct to which all of us are expected to adhere to.

Furthermore, the Management Board has identified four desired cultural outcomes:

– Active & visible leadership: aligning tone from the top with leadership action
– Empowering & effective managers: empowering managers to encourage personal development while achieving team goals
– Inspired & productive people: fostering people practices and processes that lead to an engaged and diverse organization
– Responsible & sustainable business practices: selectively growing our business with effective controls and risk limits

All culture-related activity across the Group contribute to these outcomes.

Achieving these outcomes is critical to realizing our strategic objectives to become simpler and more efficient, less risky, better capitalized and better run with more disciplined execution. Continued emphasis on embedding our desired culture and driving appropriate conduct remains a key priority for all stakeholders including senior management, employees, clients, shareholders and regulators.

While we are aware that culture is difficult to measure, to maintain momentum, we are in the process of developing a dashboard of metrics from various sources across the bank to indicate progress against central standards. These metrics will cover qualitative data, such as results of the People Survey, as well as more quantitative measures currently tracked and governed as part of Human Resources (HR), Risk, Communications and Compliance processes.

Governance

While achieving cultural outcomes is the responsibility of all employees, the Group Chief Executive Officer (CEO), has overall responsibility.

Each Management Board member is accountable in his or her division or function, with the Executive Committees (ExCo) responsible for developing and implementing culture related initiatives. To ensure accountability and appropriate senior management focus, culture related initiatives planned by each division or function are owned at the ExCo level.

The Culture Integrity & Conduct (CIC) working group, chaired by the CEO and comprising Management Board nominated representatives from each division and function, serves as a central coordination and alignment function, ensuring culture activities pursued in each area align to our global vision for culture. The CIC meets at least six times a year and focuses on culture activities that reinforce desirable behaviors and that discourage undesirable ones. The group also has the remit of sharing best practices and challenging culture related plans and ideas presented at the forum.

In addition to the CIC, the Conduct & Integrity (C&I) Council provides oversight, leadership and group-wide coordination of conduct and integrity related initiatives, including regular updates to the CIC.

Actions

Active & Visible Leadership

Embedding our cultural values requires senior leaders to serve as role models and advocate the importance of culture and conduct.

Tone from the Top

Management Board members and their direct reports have featured in a series of videos, aligned to their focus areas, which have been shared internally to all staff via the intranet. These videos, coupled with email communications to employees, reinforce key aspects of the bank's cultural outcomes and set the example of open and honest communication for the organization to follow. Examples of video series include:

– "Tower talks" with the CEO, Chief Administration Officer (CAO) and Chief Financial Officer (CFO)
– Interviews of the Chief Regulatory Officer and the Global Head of AFC underscore the importance of employees to be the "greatest advocates to combat financial crime"

Senior Ownership of Culture Topics

To sustain the tone from the top and complement it with leadership action, accountability for driving culture efforts in each Division and Infrastructure Function is with the respective ExCos. This ensures that actions undertaken in each area are aligned to the business goals of the underlying division or function and address the prevailing cultural issues.

Empowering & Effective Managers

Increasing manager accountability and building trust between managers and their teams helps build a more engaged and better performing organization, and promotes a working environment where open and honest communication is encouraged.

Leadership and Management Programs

We continue to invest in a broad suite of leadership development programs, targeting different levels of role responsibility. The programs focus on sharing our expectations of leaders and developing their skills to engage and motivate our people. Programs offered in 2017 included:

– 'Leadership fundamentals' for managers who are leading diverse teams and have a significant role to play in implementing the bank's strategy.
– 'Management fundamentals' and 'Experienced manager essentials' for new managers and existing managers respectively. These programs lay out the bank's expectations of managers and help them develop skills to engage with teams such as providing regular feedback, conducting development conversations and learning how to lead teams.
– 'Acceleration programs' for high performing Vice Presidents and Directors which provide training, coaching, and cross divisional exposure to strengthen management and leadership capability and create a pool of future franchise leaders.
– 'Change management training' to enhance change management capabilities for different levels of seniority. Areas of focus include understanding change, becoming change agile and helping others.

Total Performance

We have launched Total Performance (TP) to manage performance and career development at the bank. TP is an integrated approach, based on regular, meaningful two-way dialogue. In contrast to a single rating, TP indicators reflect employee experience, their contribution to business delivery and behavior (what and how), capabilities, and career and personal development. Regular meaningful conversations prompt discussions around poor performance (including misconduct) and ensure that action plans to address the issues are not neglected but are implemented and reviewed regularly and development is supported and monitored.

Last year's People Survey results reveal the impact of these efforts, with 68 % of employees indicating that managers provide clear and regular feedback on strengths and areas for development (an increase of six percent). Employees also believe that they have a better understanding of how they contribute to implementing our strategy (an increase of 16 % to 77 %).

Inspired & Productive People

Encouraging positive conduct, sharing successes and developing bank-wide processes to enable employees to perform better are key facilitators of the culture that we aspire to.

Consequence Management

The bank maintains a strong link between the expected behavior of its employees and the consequences of not meeting expectations. Consequences can include disciplinary sanctions for issues that arise from policy breaches or behavior below expected standards. There are guidelines how disciplinary sanctions should impact other HR related processes such as Compensation Awards, Promotions, Performance Management and Key Function Holder Appointments. Another example of potential consequences is a 'Red Flag.' The Red Flags process monitors employee's adherence to certain risk related policies and processes. A breach leads to an appropriately risk-weighted Red Flag which is considered in compensation, promotion and performance management decisions.

Increasing Employee Engagement

Our #PositiveImpact campaign aims to create staff momentum around a common purpose and rebuild credibility and trust. This starts with creating a new dialog with stakeholders and repositioning our brand "to enable economic growth and societal progress", and "to be a bank that creates a positive impact for clients, employees, investors and society".

Our employee barometer survey, a global survey on internal communications and Deutsche Bank brand, showed that approximately three out of four agreed with the new purpose and almost 74,000 employees had engaged with the #PositiveImpact intranet hub six months after the campaign launched. Based on the db-employee barometer survey, positive employee perception of the bank's brand increased to 47 % in Q4 2017, compared to 37 % in Q1 2017.

Responsible & Sustainable Business Practices

Developing a "controls mindset" and managing risk proactively as we grow our business, is critical to achieving our strategic objectives, particularly of becoming less risky.

Conduct Risk Framework

We manage and mitigate our conduct risk as part of our enterprise-wide risk management framework that is designed to deliver appropriate outcomes for our stakeholders. It is about treating customers fairly and acting with integrity in the financial markets where we operate. Our Group-wide Conduct Risk Management Framework has been designed to provide the bank's senior management with a holistic view of conduct risk. Conduct risk is defined as "the risk that the firm's employees or representatives or the firm's business practices could inappropriately and adversely affect the bank's clients, the bank, or the integrity of financial markets." Our Code of Business Conduct and Ethics, together with other policies and procedures, set out the required standards of professional conduct expected from all employees. We will not tolerate misconduct or inappropriate or unethical conduct but, given the nature of our business and the markets in which we operate, we recognize that conduct risk will always exist. Businesses must have adequate and effective controls in place and mitigants to conduct activities in line with conduct risk appetite.

Risk Awareness and Ownership

Our desired culture includes fostering an environment where all employees are empowered and encouraged to act as risk managers. This expectation continues to be reinforced through communications campaigns and mandatory training for all employees. Our Risk Management Principles policy provides employees with an overview of our approach to risk management and, in 2017, we also created a number of 'I'm a risk manager' videos, providing tangible examples of how employees in different roles across the bank contribute to effective risk management.

In 2017, we also introduced a principles-based assessment of risk culture, in particular focusing on risk awareness, risk ownership and management of risk within risk appetite. Assessment results are incorporated into existing risk reporting, reinforcing the message that risk culture is an integral part of effective day-to-day risk management.

Tackling Financial Crime

We are committed to supporting the development of effective regulations and procedures as well as internal standards to combat financial crime. This is further described in the chapter "Anti-Financial Crime".

Our group-wide employee survey indicated that 83 % (an increase of 17 %) of employees felt that they are able to manage risks effectively without compromising the bank's principles, policies and procedures.

Public Policy and Regulation

In 2017, we took further steps to strengthen how we respond to regulatory change and leverage synergies within the bank. This included merging our Regulatory Affairs, Group Structuring as well as the Government & Public Affairs unit, which now work in close cooperation, reporting into the Global Head of Government & Public Affairs and Group Structuring and ultimately into the Group Chief Regulatory Officer. Through these units, weidentify relevant political and regulatory developments at an early stage and coordinate group policy positions accordingly. Our vision is to ”ensure preparedness for critical regulatory change and simplify the Group, supporting Deutsche Bank‘s strategy”. Our aim is to ensure both compliance with relevant political and regulatory requirements (inbound) as well as including industry relevant topics into the public discussionsl (outbound). Our Government & Public Affairs offices in Berlin, Brussels and Washington, D.C. manage our relationships with key policy makers and provide them with information and data to further inform the policy-making, while setting out the bank’s business strategy and its determinants. In addition, we liaise with our Chief Regulatory Office (CRegO) colleagues in the Beijing office to cover China.

We define a set of key topics that will inform our focusin the following twelve months. In 2017, these related to the German G20 presidency, the digitization of banking and society, the renewal of the Eurozone, Brexit, and the Green / Sustainable Finance agenda. On each issue, we convened and participated in seminars, public panels, and individual conversations with policy-makers.

The risk of changing rules and regulation is inherent to our daily business. To address this adequately, we have developed a holistic framework to identify and implement new or changed regulation using a systematic approach that prioritizes significant regulatory risks to Deutsche Bank and allocates clear accountability for the identification, impact assessment and implementation of regulatory changes.

The framework governs how we manage regulatory change risk, and helps build our profile in regulatory policy debates, so that we engage constructively with regulatory stakeholders. It also ensures informed strategic decision making and provides oversight and control over how key initiatives are implemented, as well as insight for senior management on upcoming issues of public policy. To further contribute to the policy-making-process, we provide political and regulatory stakeholders with information and data that set out our business strategy and determinants.

We set clear rules and procedures for interactions between our employees and external political and regulatory stakeholders. All staff must adhere to our global “Gifts, Entertainment and Business Events Policy”, which regulates the conduct and recording of any gifts and event participations offered by or accepted by Deutsche Bank representatives. For interactions with EU institutions, our policy ‘Pre-Clearance of All Communications with EU Institutions to Discuss Policy Issues’ is mandatory, ensuring a consistent communication at EU level and that all contacts to EU officials are centrally cleared. In the US we act in line with our internal policy regarding ‘Political Contributions in the US and US Lobbying Activities’.

We are signatory to the EU Transparency Register, which requires us to disclose certain financial information and comply with a code of conduct.

Anti-Financial Crime

As a responsible bank, we view how we conduct our business as at least as important as our financial performance. We have a long history of supporting regulations and procedures at international level to combat financial crime and we consider this as vital to ensuring the stability of banks and the integrity of the international financial system as a whole. This helps to protect the bank from being misused for committing criminal offences. Besides that, ignoring financial crime provisions potentially exposes us to corporate criminal and/or regulatory liability, civil lawsuits and a loss of reputation.

AFC policies are at least reviewed annually to ensure that new regulation is properly reflected in the policies.

Ultimate responsibility for AFC lies with our Management Board, while our AFC division is tasked with the day-to-day prevention of money laundering and terrorism financing, adhering to sanctions' and embargo' regimes, and preventing fraud, bribery and corruption or any other criminal activity. A key objective in 2017 was to strengthen the AFC division, therefore the department has increased the number of staff by 60 % during the year.

The AFC organization is subdivided into Regional, Global and Central Functions. Their main responsibility is described as follows:

– Regional Functions take responsibility for the regions Deutsche Bank is operating in (Germany, Americas, UK and Ireland, Asia Pacific/APAC, and Europe, Middle East and Africa/EMEA).
– Global Functions manage Anti-Money Laundering (AML)/Terrorism Financing, Sanctions & Embargoes and Anti-Fraud, Bribery and Corruption
– Central Functions manage topics like Risk & Controls, Investigations as well as Regulatory Governance & Enforcement

Without prejudice to the Management Board's oversight duty and the delegation of the above mentioned tasks to the AFC organization, ultimate accountability for the appropriate structuring and execution of transactions/business activities and their corresponding processes lies with the line managers and employees in the respective business divisions.

Every employee must carefully familiarize themselves and keep up to date with applicable policies and regulations to comply with them.

Employee Training and Engagement

We deliver training to help employees understand regulation, compliance, and AFC. There are a range of courses available depending on audience type (this section does apply to AFC organization.

Graduates

– Graduate induction week for new joiners in AFC or Compliance departments;
– Dedicated training sessions for graduates in all divisions highlighting the importance of managing AFC and Conduct Risk

AFC/Compliance Employees

– "First 100 days" induction process;
– Various technical development programs on topics such as "how to conduct an internal investigation"

Bank Employees

There is a group-wide AFC curriculum on courses covering AML, Fraud Awareness, Anti-Bribery and Corruption and Sanctions. Uptake of these courses is very high with very low overdue ratios for late or non-completion.

AFC Risk & Control

The Global AFC Risk & Controls Team together with other AFC functions and business divisions or infrastructure functions assesses and identifies risks of money laundering and terrorism financing, sanctions and embargoes, fraud, bribery and corruption, resulting from our products, services and client activities. In order to meet these targets, clients, products and transactions are assessed annually through the Global AFC risk assessment as well as quarterly via Top Risk reporting which is a group-wide process and part of our non-financial risk framework. Assessments are continuously enhanced and reviewed to adjust them to the new regulatory requirements.

The Global AFC Risk & Controls Team sets the framework and provides the technical platform for assessments that are conducted on country or legal entity levels.

The key objectives of the risk assessment are to better understand the risks inherent in our products and services, client activities and the geographic locations we operate in.

Know Your Client, KYC

The bank's Know Your Client (KYC) Policy sets the rules that govern our group-wide approach to KYC. In conducting KYC, we seek to comply with all relevant national and international laws and regulations. In 2017, the bank implemented a new KYC program that applies to every country we operate in, paying special attention to high-risk clients (such as politically exposed persons, PEP), promoting greater business accountability, providing clearer guidance and application, as well as embedding and raising awareness of the bank's risk appetite thresholds.

Clients are assessed as part of due diligence and are regularly screened against internal and external criteria. In 2017, we continued to roll out an extended screening program, which serves as the basis for further enhancement with regards to screening effectiveness and efficiency.

As a consequence of due diligence, a client relationship may be declined or subject to monitoring or conditions imposed on accounts, transactions, or product usage. In cases of suspicious activity, regulatory and government bodies are informed according to existing legal and regulatory requirements.

KYC is an ongoing process throughout the lifecycle of the client relationship. As such, we must know not only the client but also the anticipated nature of the client relationship.

The New Client Adoption process deals with the on-boarding of potential clients. No funds or assets may be accepted or transacted, nor any legal commitment entered into (including the operation of an account, sale of a product, or rendering of a service) prior to fully completed adoption of the client.

In order to periodically assess client relationships, the business must ensure that regular reviews of all existing clients are initiated and duly performed. Review cycles depend on the risk category of a client relationship. In general, high risk clients must be reviewed annually, medium risk clients every two years and low risk clients every five years.

Assessing and understanding client-related money laundering and terrorist financing risks is a critical component of our AFC Risk Management framework, which helps us mitigate and manage risk in line with our financial crime risk appetite.

The primary objective of risk segmenting our client base is to conduct appropriate due diligence and to ensure a comprehensive client profile is in place to enable the comparison of the results of ongoing monitoring and identify any discrepancies.

Our risk rating methodology considers the following aspects of each client relationship to determine a Client Risk Rating: Country Risk, Industry Risk, Product Risk and Entity Type Risk. Irrespective of the risk type, if the client is a politically exposed person (PEP) or an ultimate beneficial owner of the client is a PEP, they will always be classified as high risk.

Anti-Money Laundering and Terrorism Financing

Within our AFC function the AML unit is responsible for instituting measures to prevent money laundering and combat the financing of terrorism, including measures to

– comply with rules and regulations regarding identification (authentication), recording and archiving;
– detect suspicious transactions and process suspicious activity alerts; and
– develop, update and execute internal policies, procedures and controls.

Irrespective of the value or amount, if there is a reasonable suspicion that funds have been derived from illegal origins or may be used in the context of terrorism financing, the transaction must be declined.

The AML unit is designed to comply with German rules as a minimum, as well as local laws and regulations in all countries the bank operates in. It includes policies, procedures, a designated Money Laundering Officer, independent controls and regular employee training. The percentage of overdue AML trainings is 0.08 %.

We are part of the Wolfsberg Group of Banks and have adopted the Wolfsberg Anti-Money Laundering Principles, as well as signing the Wolfsberg Statement on the Suppression of the Financing of Terrorism.

Respecting Sanctions and Embargoes

National authorities and supranational organizations (such as United Nations (UN), European Union (EU)) impose restrictive measures against countries, organizations, groups, entities and individuals that infringe internationally accepted behaviors and norms, especially where these relate to weapons proliferation, terrorism or support of terrorist organizations, human rights violations, or corruption and bribery. Such measures are more commonly known as embargoes or sanctions.

Deutsche Bank has a responsibility to monitor, evaluate, and, if required, observe laws and binding requirements related to financial and trade sanctions set by the EU, Bundesbank, Germany’s Federal Office for Economic Affairs and Export Control, and other authorities, such as the US Office of Foreign Assets Control (OFAC) and the UK Treasury Department.

Our group-wide Embargo Policy, Special Risk Country Policy, and a specific Office of Foreign Assets Control Policy help us assess and reduce client risk as part of our on-boarding processes and periodically thereafter. It also helps us manage risks related to particular transactions, countries, and goods.

In the wake of the implementation of the Joint Comprehensive Plan of Action entered into by world powers and Iran at the start of 2016, we have very cautiously relaxed our otherwise stringent policy towards Iran, and in 2017, we continued to execute legal payments on behalf of our long-standing clients in Euros, subject to enhanced due diligence.

Combating Bribery and Corruption

Bribery and Corruption risks can arise in our daily operations. Bribery means improperly offering, promising, giving, authorizing, soliciting, agreeing to receive or accepting anything of value to or from another person or entity. Corruption means any activity that involves the abuse of position or power for an improper personal or business advantage, whether in the public or private sector.

Deutsche Bank takes a zero-tolerance approach to bribery and corruption, in line with its Code of Business Conduct and Ethics, values and beliefs, and international law, including the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977, the German Criminal Code, and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Reflecting our commitment to comply with applicable law and regulations, as well as best practice standards, our Anti-Fraud, Bribery and Corruption (AFBC) unit is responsible for:

– monitoring and advising on compliance related to bribery and corruption laws, regulations and international standards;
– the ongoing design and development of appropriate measures to mitigate bribery and corruption risk;
– administering controls and safeguards to mitigate bribery and corruption risk.

The ABC Policy sets out the minimum standards of behavior expected by all employees and third parties associated with Deutsche Bank (including partners, suppliers, service providers and Third Parties, to the extent they perform services to the Group, subject to contractual agreements).

Staff reliability checks are conducted for all new hires. A updated reliability check process for existing employees has been rolled out during 2017.

Every employee is responsible for the prevention, detection and reporting of bribery and other forms of corruption in connection with our business. Bribery and corruption have serious consequences for employees and the bank. An employee who gives, receives or agrees to give or receive a bribe violates the ABC Policy, the Code of Business Conduct and Ethics and is committing a criminal and/or regulatory offence potentially exposing us to corporate criminal and/or regulatory liability and civil lawsuits locally and globally. The employee may also be subjected to civil or criminal fines and penalties and/or imprisonment. Senior Management can be prosecuted and may be personally liable if they become aware that an act of bribery has taken place, or will take place, and do not take appropriate action to prevent it. Equally, we may terminate relationships with any third party found to be in breach of the principles and rules set out in the ABC Policy or applicable bribery and corruption laws and regulations.

To deliver the policy, regional teams are responsible for analyzing risk, developing and monitoring controls, training, and awareness.

Information Security

Clients expect to access the services they need anytime, anywhere, and through a variety of channels. Evolving and innovating our technology, service offering and processes in many instances builds on partnering with service providers and the integration of Fintech development. In parallel, cyber-attacks on businesses are increasing in scale, speed, and sophistication. Information Security therefore is one of Deutsche Bank´s material non-financial topics. Preserving the confidentiality, integrity and availability of our clients' & partners` data and the bank's information assets is essential for upholding the trust placed in Deutsche Bank by our clients, shareholders, employees and other stakeholders.

Governance

Our governance framework and cyber security program are continuously enhanced to ensure that security policies and standards continue to mirror evolving business requirements, regulatory guidance, and emerging cyber threats. Information security policies support Deutsche Bank in complying with these parameters and build the foundation for actively managing and governing information security related implementation processes. International standards and best practices are used to structure Deutsche Bank´s comprehensive information security policy landscape. Our information Security Management System is certified to the international ISO 27001 standard since 2012 and was re-certified in 2015. Our policies provide a formal declaration of the Management Board's commitment to ensuring the security of the bank's information. A decision-making "IT Security Committee" with delegated authority from the COO representative of the management board is furthermore well established to oversee all activities including potential escalations.

Chief Information Security Office

In 2017, responsibility for both physical (Corporate Security) and information security (CISO) was aligned in order to ensure that the protection of information assets and physical security of people, assets and buildings are designed and delivered in a holistic manner, leading to the formation of the Chief Security Office (CSO). This function sits in the Chief Operating Office. Within the Chief Security Office, CISO remains the central and independent owner of information security for Deutsche Bank. CISO is mandated to ensure that the appropriate governance framework, policies, processes, and technical capabilities are in place to manage the related information security risk within Deutsche Bank. As such, CISO is responsible for setting and implementing the Group Information Security strategy globally, which has been reviewed and confirmed in 2017.

CISO works with every business division and all employees of Deutsche Bank to ensure the bank's systems are protected as well as used safely and securely to achieve Deutsche Bank's business objectives. By driving excellence in information security, benchmarked in global & regional industry forums, we aim to build competitive advantage, protect our brand and reputation and hereby increase client and market confidence.

Cyber Threats

To protect the bank's information assets, we take a multi-layered approach to building information security controls into every layer of technology, including data, devices, and applications ("defence in depth"). This delivers robust end-to-end protection, while also providing multiple opportunities to detect, prevent, respond to, and recover from cyber threats. This approach is a key facet of our Group Information Security Strategy.

In addition to prevention methods and controls like Threat Operations, Data Leakage Prevention, Vulnerability Management and continuous staff awareness programs, we also prioritize detection, backed up by a robust response process. Our dedicated Cyber Incident and Response Centers in Germany, Singapore and the United States of America are set up to provide a 24/7 coverage across different time zones ("follow the sun" model), improving the bank's capability to detect threats and robustly respond to incidents globally.

"Human Firewall"

Strengthening the "human firewall" is a further key element to our information security strategy. In 2017, a global multi-channel awareness campaign for all Deutsche Bank Group staff covering the full range of information & corporate Security topics was launched. Additionally, we educate our clients about cyber threats and how the bank protects their information assets through information material and events.

We recognize the importance of continuous training and education in a highly dynamic cyber threat environment. In 2017, CISO reviewed its Information Security Profession Framework for all CISO staff and defined respective education requirements for all roles defined in the framework. In addition to our awareness measures, Deutsche Bank staff as a whole is trained through mandatory trainings. This is complemented by specific training for individuals in specialist roles and target groups.

Engaging Stakeholders

Regulators have recognized that information security threats pose a significant risk for financial institutions. To this end, we work closely with these authorities, globally and locally, to understand and pre-empt requirements. We also collaborate closely with national and international security organizations, government authorities, and peer organizations, recognizing that proactively sharing relevant indicators of compromise (IoC) and anomalies in the internet reduces risk for all involved parties.

Engaging stakeholders helps to ensure that we apply the most up to date information security approaches and technology. Deutsche Bank has established a dedicated team to coordinate the sharing of intelligence and to further develop these relationships.

Data Protection

All data, whether directly or indirectly related to a natural person, are protected by national and international regulations. Personal data includes for example information on customers, as well as of Deutsche Bank employees and employees of our service providers. In view of the fact that virtually all business processes require the processing of personal data in times of increasing digitalisation, the protection of these data represents a matter of special concern to us.

Our department Group Data Privacy (GDP) is a specialised and independent control function situated in Frankfurt, Berlin, New York, Singapore as well as London and Birmingham. The department focuses on questions of legitimacy relative to the collection, processing and use of personal data that have been provided to the bank. Our GDP-team directly reports to the Management Board and is supported by local Data Protection Officers of those countries in which we conduct business. Thus, there are direct and indirect reporting lines between our central and de-central data protection organisation; regular reconciliation and constant exchange on data protection related topics are performed upon a global, European as well as local level. In addition, Deutsche Bank participates in relevant committees and working groups, such as “Bundesverband deutscher Banken”, IBM Guide Share Europe, Bitkom, thereby contributing to the interpretation and development of industry-specific and prevailing standards. The mandate for Deutsche Bank´s Group Data Privacy (GDP) is complemented by a Data Protection unit within Postbank.

Regulatory data protection is dealt with high importance at Deutsche Bank – data protection related developments are observed and analysed upon a regular basis by us. We implement relevant changes or change our control processes accordingly. The same goes for technical developments as well as new digital business models – together with the responsible areas these are checked by Group Data Privacy on compliance with data protection related regulations and standards.

After more than four years of negotiations the EU General Data Protection Regulation (GDPR) was enacted on May 24, 2016. With a transition time of two years, the regulation will take effect on May 25, 2018. Our main focus lies on implementing the extensive requirements jointly with our business divisions and infrastructure areas to ensure compliance by the end of May 2018. Non-compliance will entail significant fines and, resulting from this, considerable financial, regulatory and reputational risks. Currently group-wide processes, contracts, guidelines and forms are being checked and appropriately amended to ensure compliance as part of a larger effort to implement the requirements of the GDPR. Moreover, we are currently revising the control framework of Group Data Privacy to ensure the comprehensive review of compliance with data protection related requirements. The GDPR Program is accompanied by three Management Board members.

In order to prevent data protection breaches, and to ensure effective dealing with these, appropriate processes have been implemented. They ensure that any incidents are reported immediately and proper measures can be taken.

People Strategy

Our agenda seeks to create an environment where our people can work in partnership and are enabled to deliver sustainable organizational performance.

The success of our strategy depends on the capabilities and experiences of our workforce – and thus on how we retain, motivate and develop our teams and acquire new talent as needed. This was reflected in our strategic HR priorities for 2017:

– Strengthen our talent agenda by expanding bank-wide leadership, management and acceleration program coverage;
– further embed Diversity & Inclusion in all people processes;
– invest in the future, e.g. social media engagement and digital learning;
– modernize the experience of HR through the implementation of “Workday”;
– support restructuring measures and enable internal mobility;
– deliver regulatory projects, e.g. MiFID II, Remuneration Ordinance for Institutions (Institutsvergütungsverordnung), and
– support strategic business initiatives, e.g. Postbank integration, Brexit, DWS Initial Public Offering (IPO)

During the reporting year, we made good progress against these priorities. For instance, we filled a third of job openings with internal candidates (excluding Postbank), increased the share of women in management positions, invested in digitalization (e.g. “I am DB” app for graduates) and implemented restructuring measures in a socially responsible manner (e.g. closing of bank branches in Germany).

Our global priorities and standards are defined and monitored by the Global HR Executive Committee. This includes the global heads of HR, the divisions and entities sharing responsibility for HR management as well as the HR heads responsible for processes and products in the regionally.

We embed our HR strategy within individual objectives of Management Board, as agreed with the Supervisory Board. In doing so, individual aspects and focus areas (e.g. reaching agreed diversity ratios or determining employee satisfaction) help us measure individual performance and progress.

Recruiting and Talent Development

Talent Acquisition

In 2017, the voluntary staff turnover rate was 7.7 % in Deutsche Bank AG in 2017 (2016: 6.5 %). In addition 341 graduates and apprentices were hired.

Graduates

Hiring junior talent is one of our key objectives. In 2017, we hired 279 new graduates globally in Deutsche Bank AG, who started their program with an orientation event in July. New recruits can expect to experience diversity and multiculturalism. The new graduate class is diverse: 127 new employees comefrom Great Britain, 68 from Germany, 44 from Asia Pacific and another 36 from the U.S. In terms of gender balance, 36 % are female and business functions span Technology and the Chief Operating Office (34 %), Corporate Finance (19 %), Global Markets (18 %) and Infrastructure functions such as Risk Management, Audit, Compliance and Finance (23 %).

Classroom-based training is followed by a 12-month mandatory online continuous development program, anchored in the bank's values and beliefs, providing graduates with the technical and professional skills required.

When we hire graduates, major emphasis is on technology roles, in line with our strategic focus on digitalization across our value chain.

Recognised for customer and employee engagement excellence in the financial services industry, 'I am DB' is our graduate onboarding and engagement app. All new graduates have access to the app for up to a year before starting with us, giving them an opportunity to see our social media channels, careers and news portals, watch videos and interviews with senior managers and find information on seminars and accommodation, among many other subjects. Furthermore, the app features a number training opportunities in corporate culture and our expectations of employees.

Apprentices (Vocational Training)

In 2017, Deutche Bank AG employed 68 new apprentices (2016: 71), 47 % of new apprentices were female (2016: 51 %). We continue to provide apprenticeships beyond its own needs, and remain committed to high-quality education and career opportunities for young people.

Employee Development

In line with our strategic priorities, we focused on promoting internal career mobility and leadership capabilities in 2017.

Internal Career Mobility

Internal mobility plays a vital role in retaining qualified and talented employees and keeping their expertise and experience within the organization. We continued to develop and embed our internal mobility strategy and to uphold our commitment to filling vacant positions – at all levels of seniority – with suitable internal candidates whenever possible. In accordance with our Hiring Policy, all open positions are advertised to internal staff exclusively for at least two weeks. Only after two weeks do we look for external candidates.

Prioritising internal candidates is designed to help employees affected by restructuring find new roles with us. We also promote cross-divisional mobility to enable employees to expand their skills and experience for rounded careers. Furthermore, internal mobility contributes to redundancy and recruitment cost savings.

To support internal mobility, we introduced 'Connect2Job' our app to help employees access and apply for internal jobs more easily and comprehensively. With the app, employees can find job openings on their phone as well as using their PC at work. The profile-based search function uses an algorithm to match individual skills and competencies against the requirements of a job. With Connect2Job, we respond to employee demands for apps and we builds transparency in the internal job market. The app is easy to use and an effective solution as the bank meets the challenges of digital change.

Leadership Development

Our Leadership Capability Model defines the expectations of our leaders, giving a shared view of the capabilities vital to our leaders and ensuring business success in line with the corporate strategy and culture.

First introduced in 2015, the bank runs two “Management Fundamentals” programs which are mandatory for new managers. A core program is designed for new managers up to Vice President who are taking on people management responsibilities for the first time. An executive program is tailored to the needs of Managing Directors and Directors. Both programs are built around three key areas: managing people, driving business and shaping culture. Management Fundamentals aims to help participants grow and develop as managers.

A cross-divisional program for senior leaders – “Leadership Fundamentals” – is also available. Refined in 2017, the program focuses on the fundamental mindsets and behaviors required to be effective leaders; such as inspirational leadership, focusing on being an authentic leader and collaboration to deliver competitive advantage. The first module targets the participants’ understanding of themselves as leaders (strengths and development areas), and also focuses on what the bank expects of them as leaders of the firm. The second module gives participants a chance to understand the full Deutsche Bank franchise and the connection points. In addition, module two covers aspects of culture and what it means to demonstrate the values and beliefs as role models.

Acceleration Development

The first-ever bank-wide Director Acceleration Program (DAP) was launched in May 2017 (excluding Postbank), with the development journey for participants spanning twelve months. The construct of the program is a four-day global module held in London for all participants where they hear from Management Board members on their expectations of leaders and gain key strategic insights and key professors from London Business School. Participants are then invited to two modules in their nearest regional hub location (Europe: London (2), Frankfurt (2); Americas: New York (2); and Asia; Singapore (1) Hong Kong (1)). Themes range from leadership acceleration and organizational change to building talent as well as influence and communication. This classroom content is underpinned by 360° feedback and coaching.

For the first year, we embedded the Women Global Leaders (WGL) module within the DAP, as the criteria and outcomes of both programs are aligned and target the same talent pool. The incorporation of WGL allowed us to retain our key focus on senior female development, while providing them with an extended journey. The female executive who were identified for DAP began their 12-month program with the WGL module and continued with their male counterparts from the global module onwards.

Our Vice President Acceleration Program ran again in 2017, completing its second year. This six-month development journey comprises two modules held in Europe (London, Frankfurt, Milan), the Americas (New York) and Asia (Singapore). The statistics from the first year of the program have shown a higher promotion rate and increased retention versus the wider Vice President population:

- Promotions: 23.3 % of participants were promoted to Director in Deutsche Bank AG in March 2017, compared with the 3.8 % global promotion rate for Vice Presidents to Directors
- Retention: 93.6 % of participants in Deutsche Bank AG are still with the bank, compared with the 92.6 % global retention rate for Vice Presidents in 2017 (as of August 2017)

Total Performance

Our approach to performance management comprises three main steps: defining expectations and setting objectives at the beginning of the year, holding regular feedback conversations throughout the year, and reviewing performance at the end of the year.

In March 2017 we rolled out ‘Total Performance’ across all business divisions and infrastructure functions. This is our holistic program to develop and manage our people and their performance, emphasising continuous and constructive conversations between employees and their managers. This development reflects findings from external studies and internal people surveys. For example, employees expressed a demand for more frequent, less formal conversations to discuss performance and development with their managers. Furthermore, they said they would feel more motivated if they had a better understanding of expectations and their personal contribution to the bank’s strategy and business performance.

In 2017, 71 % of the individual variable compensation (IVC) eligible employees in Deutsche Bank AG set their objectives.

Diversity & Inclusion

Diversity is crucial for the success of any global organization and it represents a key priority and integral part of our People Agenda. We aim to attract, develop and retain the best people from all cultures, countries, ethnicities, genders, sexual orientations, abilities, beliefs, backgrounds and experiences. Managers at all levels are trained on these principles and supported by HR to build diverse teams, where employees respect one other, develop their full potential and collaborate to achieve sustainable outcomes.

In 2017, we continued to promote the diversity of our workforce, and to create wider awareness for diversity and an inclusive work environment. We made good progress, not only on gender equal opportunities, but also in cultural and generational diversity, and equal opportunities for LGBTI (Lesbian, Gay, Bisexual, Transgender, Trans- and Intersexual) employees. These are key pillars of our Diversity & Inclusion agenda.

Gender Diversity

We continued to advance women in the workplace throughout 2017. The percentage of women on the Supervisory Board stood at 35 % at the end of the year, above the statutory requirement of 30 % for listed and co-determined German companies under gender quota legislation introduced in 2015.

The Supervisory Board's target for the Management Board was set in 2015 as at least one female member by June 30, 2017. This target has been met with the appointments of two female executives to the Management Board. As of year-end 2017, 18.5 % of positions at the first management level below the Management Board of Deutsche Bank were held by female executives (2016: 18.4 %;). At the second level below the Management Board, this percentage stood at 23,0 % (2016: 23.2 %). The bank had set ambitious targets for 2017 of 17 % and 21 %, respectively, in accordance with legal requirements in Germany.

In 2011, we signed a voluntary declaration to substantially raise the proportion of female managers globally by the end of 2018. As of year-end 2017, the global percentage of female Managing Directors and Directors stood at 21.9% (December 31, 2016: 21.3 %), a 15 % increase since 2011. The share of female officers in DB AG was 32.2 % at the end of 2017 (2016: 32.1 %).

As one of only two DAX companies, we have been listed in the Bloomberg Financial Services Gender-Equality Index (BFGEI) since it began in 2016. It recognises firms with strong commitments to gender equality and provides investors and organisations with standardised aggregate data on gender, HR policies, gender-conscious product offerings, as well as community support and engagement.

Information pursuant to Section 289 (4) of the German Commercial Code and Explanatory Report

Structure of the Share Capital including Authorized and Conditional Capital

For information regarding Deutsche Bank's share capital please refer to Note 34 "Common Shares" to the Consolidated Financial Statements.

Restrictions on Voting Rights or the Transfer of Shares

Under Section 136 of the German Stock Corporation Act the voting right of the affected shares is excluded by law. As far as the bank held own shares as of December 31, 2017 in its portfolio according to Section 71b of the German Stock Corporation Act no rights could be exercised. We are not aware of any other restrictions on voting rights or the transfer of shares.

Shareholdings which Exceed 10 % of the Voting Rights

The German Securities Trading Act (Wertpapierhandelsgesetz) requires that any investor whose share of voting rights reaches, exceeds or falls below certain thresholds as the result of purchases, disposals or otherwise, must notify us and the German Federal Financial Supervisory Authority (BaFin) thereof. The lowest threshold is 3 %. We are not aware of any shareholder holding directly or indirectly 10 % or more of the voting rights.

Shares with Special Control Rights

Shares which confer special control rights have not been issued.

System of Control of any Employee Share Scheme where the Control Rights are not Exercised Directly by the Employees

The employees, who hold Deutsche Bank shares, exercise their control rights as other shareholders in accordance with applicable law and the Articles of Association (Satzung).

Rules Governing the Appointment and Replacement of Members of the Management Board

Pursuant to the German Stock Corporation Act (Section 84) and the Articles of Association of Deutsche Bank (Section 6) the members of the Management Board are appointed by the Supervisory Board. The number of Management Board members is determined by the Supervisory Board. According to the Articles of Association, the Management Board has at least three members. The Supervisory Board may appoint one or two members of the Management Board as Chairpersons of the Management Board. Members of the Management Board may be appointed for a maximum term of up to five years. They may be reappointed or have their term extended for one or more terms of up to a maximum of five years each. The German Co-Determination Act (Mitbestimmungsgesetz; Section 31) requires a majority of at least two thirds of the members of the Supervisory Board to appoint members of the Management Board. If such majority is not achieved, the Mediation Committee shall give, within one month, a recommendation for the appointment to the Management Board. The Supervisory Board will then appoint the members of the Management Board with the majority of its members. If such appointment fails, the Chairperson of the Supervisory Board shall have two votes in a new vote. If a required member of the Management Board has not been appointed, the Local Court (Amtsgericht) in Frankfurt am Main shall, in urgent cases, make the necessary appointments upon motion by any party concerned (Section 85 of the Stock Corporation Act).

Pursuant to the German Banking Act (Kreditwesengesetz) and Regulation (EU) No 468/2014 of the European Central Bank (SSM Framework Regulation) evidence must be provided to the European Central Bank (ECB), the German Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank that the member of the Management Board has adequate theoretical and practical experience of the businesses of the Bank as well as managerial experience before the member is appointed (Sections 24 (1) No. 1 and 25c (1) of the Banking Act, Article 93 of the SSM Framework Regulation).

The Supervisory Board may revoke the appointment of an individual as member of the Management Board or as Chairperson of the Management Board for good cause. Such cause includes in particular a gross breach of duties, the inability to manage the Bank properly or a vote of no-confidence by the shareholders' meeting (Hauptversammlung, referred to as the General Meeting), unless such vote of no-confidence was made for obviously arbitrary reasons.

The ECB or the BaFin may appoint a special representative and transfer to such special representative the responsibility and powers of individual members of the Management Board if such members are not trustworthy or do not have the required competencies or if the credit institution does not have the required number of Management Board members. In any such case, the responsibility and powers of the Management Board members concerned are suspended (Section 45c (1) through (3) of the Banking Act, Article 93 (2) of the SSM Framework Regulation).

If the discharge of a bank's obligations to its creditors is endangered or if there are valid concerns that effective supervision of the bank is not possible, the BaFin may take temporary measures to avert that risk. It may also prohibit members of the Management Board from carrying out their activities or impose limitations on such activities (Section 46 (1) of the Banking Act). In such case, the Local Court Frankfurt am Main shall, at the request of the BaFin appoint the necessary members of the Management Board, if, as a result of such prohibition, the Management Board no longer has the necessary number of members in order to conduct the business (Section 46 (2) of the Banking Act).

Rules Governing the Amendment of the Articles of Association

Any amendment of the Articles of Association requires a resolution of the General Meeting (Section 179 of the Stock Corporation Act). The authority to amend the Articles of Association in so far as such amendments merely relate to the wording, such as changes of the share capital as a result of the issuance of authorized capital, has been assigned to the Supervisory Board by the Articles of Association of Deutsche Bank (Section 20 (3)). Pursuant to the Articles of Association, the resolutions of the General Meeting are taken by a simple majority of votes and, in so far as a majority of capital stock is required, by a simple majority of capital stock, except where law or the Articles of Association determine otherwise (Section 20 (1)). Amendments to the Articles of Association become effective upon their entry in the Commercial Register (Section 181 (3) of the Stock Corporation Act).

Powers of the Management Board to Issue or Buy Back Shares

The Annual General Meeting of May 18, 2017 authorized the Management Board pursuant to Section 71 (1) No. 7 of the Stock Corporation Act to buy and sell, for the purpose of securities trading, own shares of Deutsche Bank AG on or before April 30, 2022, at prices which do not exceed or fall short by more than 10 % of the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the respective three preceding stock exchange trading days. In this context, the shares acquired for this purpose may not, at the end of any day, exceed 5 % of the share capital of Deutsche Bank AG.

The Annual General Meeting of May 18, 2017 authorized the Management Board pursuant to Section 71 (1) No. 8 of the Stock Corporation Act to buy, on or before April 30, 2022, own shares of Deutsche Bank AG in a total volume of up to 10 % of the share capital at the time the resolution was taken or – if the value is lower – of the share capital at the time this authorization is exercised. Together with own shares acquired for trading purposes and/or for other reasons and which are from time to time in the company's possession or attributable to the company pursuant to Sections 71a et seq. of the Stock Corporation Act, the own shares purchased on the basis of this authorization may not at any time exceed 10 % of the company's respectively applicable share capital. The own shares may be bought through the stock exchange or by means of a public purchase offer to all shareholders. The countervalue for the purchase of shares (excluding ancillary purchase costs) through the stock exchange may not be more than 10 % higher or more than 20 % lower than the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the obligation to purchase. In the case of a public purchase offer, it may not be more than 10 % higher or more than 20 % lower than the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the day of publication of the offer. If the volume of shares offered in a public purchase offer exceeds the planned buyback volume, acceptance must be in proportion to the shares offered in each case. The preferred acceptance of small quantities of up to 50 of the company's shares offered for purchase per shareholder may be provided for.

The Management Board has also been authorized to dispose of the purchased shares and of any shares purchased on the basis of previous authorizations pursuant to Section 71 (1) No. 8 of the Stock Corporation Act on the stock exchange or by an offer to all shareholders. The Management Board has been authorized to dispose of the purchased shares against contribution-in kind and with the exclusion of shareholders' pre-emptive rights for the purpose of acquiring companies or shareholdings in companies or other assets that serve the company's business operations. In addition, the Management Board has been authorized, in case it disposes of such own shares by offer to all shareholders, to grant to the holders of the option rights, convertible bonds and convertible participatory rights issued by the company and its affiliated companies pre-emptive rights to the shares to the extent that they would be entitled to such rights if they exercised their option and/or conversion rights. Shareholders' pre-emptive rights are excluded for these cases and to this extent.

The Management Board has also been authorized to use shares purchased on the basis of authorizations pursuant to § 71 (1) No. 8 Stock Corporation Act to issue staff shares, with the exclusion of shareholders' pre-emptive rights, to employees and retired employees of the company and its affiliated companies or to use them to service option rights on shares of the company and/or rights or duties to purchase shares of the company granted to employees or members of executive or non-executive management bodies of the company and of affiliated companies.

Furthermore, the Management Board has been authorized, with the exclusion of shareholders' pre-emptive rights, to sell such own shares to third parties against cash payment if the purchase price is not substantially lower than the price of the shares on the stock exchange at the time of sale. Use may only be made of this authorization if it has been ensured that the number of shares sold on the basis of this authorization does not exceed 10 % of the company's share capital at the time this authorization becomes effective or – if the amount is lower – at the time this authorization is exercised. Shares that are issued or sold during the validity of this authorization with the exclusion of pre-emptive rights, in direct or analogous application of Section 186 (3) sentence 4 Stock Corporation Act, are to be included in the maximum limit of 10 % of the share capital. Also to be included are shares that are to be issued to service option and/or conversion rights from convertible bonds, bonds with warrants, convertible participatory rights or participatory rights, if these bond or participatory rights are issued during the validity of this authorization with the exclusion of pre-emptive rights in corresponding application of Section 186 (3) sentence 4 Stock Corporation Act.

The Management Board has also been authorized to cancel shares acquired on the basis of this or a preceding authorization without the execution of this cancellation process requiring a further resolution by the General Meeting.

The Annual General Meeting of May 18, 2017 authorized the Management Board pursuant to Section 71 (1) No. 8 of the Stock Corporation Act to execute the purchase of shares under the resolved authorization also with the use of put and call options or forward purchase contracts. The company may accordingly sell to third parties put options based on physical delivery and buy call options from third parties if it is ensured by the option conditions that these options are fulfilled only with shares which themselves were acquired subject to compliance with the principle of equal treatment. All share purchases based on put or call options are limited to shares in a maximum volume of 5 % of the actual share capital at the time of the resolution by the General Meeting on this authorization. The term of the options must be selected such that the share purchase upon exercising the option is carried out at the latest on April 30, 2022.

The purchase price to be paid for the shares upon exercise of the put options or upon the maturity of the forward purchase may not exceed more than 10 % or fall below 10 % of the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before conclusion of the respective transaction in each case excluding ancillary purchase costs but taking into account the option premium received. The call options may only be exercised if the purchase price to be paid does not exceed by more than 10 % or fall below 10 % of the average of the share prices (closing auction prices of the Deutsche Bank share in Xetra trading and/or in a comparable successor system on the Frankfurt Stock Exchange) on the last three stock exchange trading days before the acquisition of the shares.

To the sale and cancellation of shares acquired with the use of derivatives the general rules established by the General Meeting apply.

Own shares may continue to be purchased using existing derivatives that were agreed on the basis and during the existence of previous authorizations.

Significant Agreements which Take Effect, Alter or Terminate upon a Change of Control of the Company Following a Takeover Bid

Significant agreements which take effect, alter or terminate upon a change of control of the company following a takeover bid have not been entered into.

Agreements for Compensation in Case of a Takeover Bid

If a member of the Management Board leaves the bank within the scope of a change of control, she or he receives a one-off compensation payment described in greater detail in the Compensation Report.

Report on equal treatment and equal pay

Pursuant to sections 21 and 22 of the German Transparency of Remuneration Act (Entgelttransparenzgesetz), Deutsche Bank AG, as an employer bound by a collective agreement, is required to present measures to promote equal treatment of men and women and their effect as well as measures to establish equal pay for men and women as an appendix to its management report every five years, beginning in 2018. In contrast to the remainder of the annual financial statements and management report, 2016 is the relevant year for this report prescribed by law.

Measures to promote equal treatment of men and women

Deutsche Bank AG continued its long-standing activities in the area of “Diversity & Inclusion” including supporting wom-en in management positions as an integral component of its corporate and personnel strategy in financial year 2016.

These activities and measures included in particular:

– The bank's internal “Women Global Leaders” (WGL) and “Accomplished Top Leaders Advancement Strategy” (ATLAS) programmes, which help high-performing female Directors and Managing Directors to take on a broader range of responsibilities and realise specific advancement opportunities.
– Cross-divisional and group-wide coaching programmes for high-performing female Assistant Vice Presidents and Vice Presidents.
– Providing training for all staff and especially for managers on how to deal with unconscious thought patterns.
– Targeted campaigns to hire female talent for Deutsche Bank AG, in areas such as IT and among graduates.
– Systematic integration of our “Diversity & Inclusion” principles into HR processes, such as hiring, promotion and regular reporting.

In a broader sense, these activities and measures also comprise wide-ranging support for employees in meeting de-mands at work and in their personal lives. This includes flexible working models, the opportunity to take a sabbatical, childcare places close to the workplace at Deutsche Bank’s main hubs and coaching for mothers and fathers entering parental leave, returning to work and in other specific areas of need.

Another example of the commitment is Deutsche Bank AG's signing of the UK Treasury's Women in Finance Charter, which promotes gender balance in the UK's financial services industry.

Evidence of the spectrum of activities and measures working in the desired direction can be found in the following key indicators:

Increased ratio of women in management positions at Deutsche Bank AG

	2016	2015	2014
Female staff[1]			
Female Managing Directors and Directors	22.0%	21.7%	20.6%
Female officers	32.1%	31.9%	31.4%
Female non-officers	56.4%	56.2%	57.7%
Total female staff	37.6%	37.5%	37.1%

[1] Based upon global corporate titles, in FTE.

Deutsche Bank AG's implementation of the statutory gender quota in Germany in accordance with section 96 (2) of the German Stock Corporation Act in 2016

	Dec 31, 2016	Dec 31, 2015
Proportion of women on the Supervisory Board of Deutsche Bank AG	35.0%	35.0%
Number of women on the Management Board of Deutsche Bank AG:	2	1
Proportion of women at first management level below the Deutsche Bank AG Management Board	15.7%	17.9%
Proportion of women at second management level below the Deutsche Bank AG Management Board:	19.5%	15.3%

For further details on group-wide activities, measures and indicators, please refer to the Human Resources Report 2016.

Measures to establish equal pay for men and women

The remuneration of Deutsche Bank AG employees consists mainly of a basic remuneration and a variable component. The basic remuneration is measured primarily on the basis of the task, responsibility, qualification and experience of an employee. In many cases, the basic remuneration is based on collective regulations such as collective bargaining agree-ments or company agreements or other specifications, which determine the classification of functions and the basic salary determination and development based on them. These agreements and specifications provide the basis for equal pay between men and women.

In 2016, a new, globally applicable compensation framework was introduced - initially for non-tariff employees - to con-tinue and further support this approach. The objectives of the new concept were to achieve a more transparent remunera-tion approach by introducing reference rates for the ratio of fixed to variable remuneration depending on the hierarchy level and the business area. In addition, employees are equally involved in the Bank's financial results through a uniform group factor. By contrast, the proportion of individual discretionary variable remuneration was reduced overall. These measures significantly limit the possibilities of any unequal treatment.

Please refer to the Human Resources Report 2016 for further details.

Statistics

Deutsche Bank AG employed an average of 12,439 women and 19,336 men in 2016 (thereof 5,311 women and 7,525 men in Germany). Of these, an average of 9,731 women and 18,571 men were in full-time positions and 2,708 women and 765 men in part-time positions (3,590 women and 7,176 men were in full-time positions and 1,825 women and 245 men in part-time positions in Germany).

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Annual Financial Statements

Balance Sheet as of December 31, 2017

Assets in € m.				Dec 31, 2017	Dec 31, 2016
Cash reserve					
a) cash on hand			72		85
b) balances with central banks			168,791		109,375
thereof: with Deutsche Bundesbank	103,736				51,673
				168,862	109,459
Debt instruments of public-sector entities and bills of exchange eligible for refinancing at central banks					
a) Treasury bills, discountable Treasury notes and similar debt instruments of public-sector entities			279		184
thereof: eligible for refinancing at Deutsche Bundesbank	0				0
b) bills of exchange			14		13
				293	197
Receivables from banks					
a) Mortgage loans			604		39
b) loans to or guaranteed by public-sector entities			217		117
c) other receivables			130,742		166,621
				131,562	166,777
thereof:					
repayable on demand	46,604				71,799
receivables collateralized by securities	2,757				2,935
Receivables from customers					
a) Mortgage loans			11,901		12,725
b) loans to or guaranteed by public-sector entities			5,599		7,033
c) other receivables			214,100		254,331
				231,600	274,089
thereof: receivables collateralized by securities	7,249				8,221
Bonds and other fixed-income securities					
a) money market instruments					
aa) of public-sector issuers		630			846
thereof: eligible as collateral for Deutsche Bundesbank	0				0
			630		846
b) bonds and notes					
ba) of public-sector issuers		33,378			40,380
thereof: eligible as collateral for Deutsche Bundesbank	12,471				16,218
bb) of other issuers		4,437			3,145
thereof: eligible as collateral for Deutsche Bundesbank	2,564				2,239
			37,815		43,524
c) own debt instruments			29		29
nominal amount	30				30
				38,474	44,399
Equity shares and other variable-yield securities				472	580
Trading assets				601,755	715,338
Participating interests				474	387
thereof: in banks	9				9
in financial services institutions	178				90
Investments in affiliated companies				43,561	44,049
thereof: in banks	11,088				11,376
in financial services institutions	200				202
Assets held in trust				29	58
thereof: loans on a trust basis	14				39
Intangible assets					
a) Self-developed intangible assets			3,279		3,109
b) Purchased intangible assets			749		870
c) Goodwill			19		28
d) Down-payments for intangible assets			0		0
				4,046	4,007
Tangible assets				1,025	939
Sundry assets				5,950	7,996
Prepaid expenses					
a) from the issuance and loan business			17		41
b) other			811		890
				828	931
Deferred tax assets				2,369	2,290
Overfunded plan assets				944	1,149
Total assets				**1,232,245**	1,372,646

Liabilities and Shareholders' Equity in € m.				Dec 31, 2017	Dec 31, 2016
Liabilities to banks					
c) other liabilities			216,541		252,752
				216,541	252,752
thereof:					
repayable on demand	96,160				127,499
Liabilities to customers					
a) registered Mortgage Pfandbriefe issued			965		315
c) savings deposits					
ca) with agreed notice period of three months		2,419			2,446
cb) with agreed notice period of more than three months		1,106			1,171
			3,524		3,616
d) other liabilities			302,314		266,014
				306,803	269,945
thereof:					
repayable on demand	200,953				178,812
Liabilities in certificate form					
a) bonds in issue					
aa) Mortgage Pfandbriefe		6,581			7,435
ac) other bonds		83,879			92,146
			90,460		99,581
b) other liabilities in certificate form			10,149		6,800
				100,610	106,381
thereof:					
money market instruments	9,289				5,788
own acceptances and promissory notes in circulation	246				174
Trading liabilities				519,913	646,585
Liabilities held in trust				29	58
thereof: loans on a trust basis	14				39
Sundry liabilities				7,719	21,619
Deferred income					
a) from the issuance and loan business			72		188
b) other			886		775
				958	963
Provisions					
a) provisions for pensions and similar obligations			46		48
b) provisions for taxes			599		702
c) other provisions			5,116		7,525
				5,761	8,275
Subordinated liabilities				12,072	12,465
Instruments for Additional Tier 1 Regulatory Capital				4,771	5,110
Fund for general banking risks				2,726	2,426
thereof: trading-related special reserve according to Section 340e (4) HGB	1,476				1,476
Capital and reserves					
a) subscribed capital		5,291			3,531
less notional par value of own shares		1			0
			5,290		3,531
conditional capital € 563 m. (Dec 31, 2016: € 486 m.)					
b) capital reserve			42,081		35,796
c) revenue reserves					
ca) statutory reserve		13			13
cd) other revenue reserves		6,560			6,280
			6,573		6,293
d) distributable profit			399		447
				54,343	46,067
Total liabilities and shareholders' equity				**1,232,245**	1,372,646
Contingent liabilities					
b) liabilities from guarantees and indemnity agreements			47,513		50,589
c) liability arising from the provision of collateral for third-party liabilities			5		3
				47,518	50,592
Other obligations					
b) placement and underwriting obligations			0		0
c) irrevocable loan commitments			115,480		122,816
				115,480	122,816

Income Statement for the period from January 1 to December 31, 2017

in € m.			2017	2016
Interest income from				
a) lending and money market business	9,816			9,035
thereof: negative interest income from lending and money market business	605			416
b) fixed-income securities and government-inscribed debt	1,394			1,892
		11,210		10,927
Interest expenses		8,959		7,336
thereof: negative interest expenses		359		290
			2,251	3,591
Current income from				
a) equity shares and other variable-yield securities		2,641		2,396
b) participating interests		13		83
c) investments in affiliated companies		1,708		1,669
			4,362	4,148
Income from profit-pooling, profit-transfer and partial profit-transfer agreements			1,298	2,249
Commission income		7,678		8,256
Commission expenses		1,560		1,225
			6,118	7,030
Net trading result			2,164	694
thereof: release of trading-related special reserve according to section 340e (4) HGB		0		0
Other operating income			2,380	3,288
Administrative expenses				
a) staff expenses				
aa) wages and salaries	4,284			4,162
ab) compulsory social security contributions and expenses for pensions and other employee benefits	819			1,098
		5,103		5,260
thereof: for pensions € 147 m. (2016: € 461m.)				
b) other administrative expenses		7,568		8,264
			12,671	13,524
Depreciation, amortization and write-downs of and value adjustments to tangible and intangible assets			1,110	895
Other operating expenses			2,775	2,817
Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for loan losses			475	124
Write-downs of and value adjustments to participating interests, investments in affiliated companies and securities treated as fixed assets			276	2,061
Expenses from assumption of losses			2	15
Releases from/Additions (–) to the fund for general banking risks			(300)	(500)
Result from ordinary activities			**962**	1,063
Extraordinary income		0		3
Extraordinary expenses		64		309
Extraordinary result			(64)	(306)
Income taxes		166		389
thereof: deferred taxes € 38 m. (2016: € 168 m.)				
Other taxes, unless reported under "Other operating expenses"		88		87
			254	476
Net income			**644**	282
Profit carried forward from the previous year			55	165
			699	447
Allocations to revenue reserves				
– to other revenue reserves		300		0
			300	0
Distributable profit			**399**	447

General Information

Deutsche Bank AG's legal name is Deutsche Bank Aktiengesellschaft and it is incorporated in Frankfurt am Main. It is registered in the Commercial Register of the District Court Frankfurt am Main under registration number HRB 30000.

The annual financial statements of Deutsche Bank AG for the financial year 2017 have been prepared in accordance with the German Commercial Code ("HGB") as well as the Statutory Order on Banks' and Financial service institutions' Accounts ("RechKredV"). Company-law regulations have been complied with. For the sake of clarity, the figures are reported in million euros (€).

Basis of Presentation

Accounting policies for:

Receivables

Receivables which are held with a trading intent are accounted for as described in the separate paragraph "Trading activities".

Receivables from banks and customers which do not qualify as trading assets are generally reported at their nominal amount or at acquisition cost less necessary impairments. If, in a subsequent period, the amount of the impairment loss decreases and the decrease in impairment can be objectively related to an event occurring after the impairment was recognized, the previously recognized impairment is reversed through the income statement.

Risk provisioning

Provisioning for loan losses comprises impairments and provisions for all identifiable credit and country risks, for inherent default risks and the provision for general banking risks. Provisions for credit risks are reflected in accordance with the prudence principle at the amount of expected losses.

The transfer risk for loans to borrowers in foreign states (country risk) is assessed using a rating system that takes into account the economic, political and regional situation. When recognizing provisions for cross-border exposures to certain foreign states the prudence principle is applied.

Provisions for inherent credit risk are reflected in the form of general value adjustments in accordance with commercial law principles. In addition, general banking risks are provisioned pursuant to Section 340f HGB. The offsetting option available under Section 340f (3) HGB has been utilized.

Securities

Bonds and other fixed income securities as well as equity shares and other variable-yield securities which are held for trading purposes are accounted for as described in the separate paragraph "Trading activities".

Certain holdings of bonds and other fixed-income securities for which the intent is to hold them for the foreseeable future are classified as non-current assets and accounted for using the moderate lower-of-cost-or-market rule. This means that the respective securities are carried at acquisition cost less other than temporary impairment.

If bonds and other fixed-income securities are neither held for the foreseeable future nor form part of the trading portfolio, they are classified as current assets and are accounted for using the strict lower-of-cost-or-market rule. This means that they are carried at the lower of acquisition cost or market respectively attributable value.

The same applies to equity shares and other variable-yield securities which, if they are not part of the trading portfolio, are generally accounted for as current assets.

Securities are written up pursuant to the requirement to reinstate original values if the reason for the write-up can be objectively related to an event occurring after the write-down was recognized.

Embedded Derivatives

Some hybrid contracts contain both a derivative and a non derivative component. In such cases, the derivative component is referred to as embedded derivative, with the non derivative component representing the host contract. Where the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract, and the hybrid contract itself is not carried as a trading activity at fair value through profit or loss, the embedded derivative is bifurcated following general principles. The host contract is accounted for at amortized cost or settlement amount.

Credit Derivatives

Credit derivatives held or incurred with a trading intent are accounted for as described in the separate paragraph "Trading activities".

Other credit derivatives held which qualify as collateral for incurred credit risk are not accounted for separately, but rather taken into account in the risk provisioning for the underlying transaction.

Trading activities

Financial instruments (including positive and negative market values of derivative financial instruments) as well as precious metals which are held or incurred with a trading intent are recognized at fair value less risk adjustment. In addition to the value-at-risk adjustment a de-facto limit on profit distribution for net trading P&L exists because each fiscal year a certain portion of net trading revenues has to be allocated to a trading-related special reserve which is part of the fund for general banking risk.

Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between knowledgeable, willing and unrelated parties, other than in a forced sale or liquidation. Where available, fair value is based on observable market prices and parameters or derived from such prices or parameters. The availability of observable data varies by product and market and may change over time. Where observable prices or inputs are not available, valuation techniques appropriate to the particular instrument are applied.

If fair value is estimated by using a valuation technique or derived from observable prices or parameters, significant judgment may be required. Such estimates are inherently uncertain and susceptible to change. Therefore, actual results and the financial position may differ from these estimates.

The fair valuation of financial instruments includes valuation adjustments for close-out costs, liquidity risk and counterparty risk as well as funding considerations for uncollateralized trading derivatives.

In order to reflect any remaining realization risk for unrealized gains, the result of the fair value measurement is reduced by a risk adjustment, which is deducted from trading assets. The risk adjustment is based on value-at-risk which is calculated using a holding period of ten days and a confidence level of 99 %.

The trading-related special reserve is provided for by taking at least 10 % of the net trading revenues (after risk adjustment) and must not exceed the total amount of net trading revenues of the respective fiscal year. It has to be provided for until the trading-related special reserve corresponds to 50 % of the five-year average of net trading revenues after risk adjustment.

The reserve may only be consumed to either release an amount exceeding the 50 % limit or to cover net trading losses.

Financial instruments and precious metals held for trading are separately presented as "Trading assets" or "Trading liabilities" on the face of the balance sheet. Forward contracts to buy or sell commodities do basically not qualify as financial instruments and can therefore not be assigned to trading assets.

Any changes in fair value after risk adjustment are recognized as "Net trading result".

Under certain conditions, trading derivatives are offset against cash collateral posted by counterparties. On an individual counterparty basis, such derivatives qualify for offsetting which have been contracted under a master agreement with a credit support annex ("CSA") and daily exchange of cash collateral. For each counterparty, the amount offset includes the carrying value of the derivatives as well as the collateral posted.

Valuation Units (Hedge Accounting)

In instances in which for accounting purposes assets, liabilities, pending transactions or highly probable forecasted transactions (hedged items) and financial instruments (hedging instruments) are designated in a valuation unit to achieve an offset for changes in fair value or cash flows attributable to the hedged risk the general measurement rules are not applicable. The bank generally utilizes the freeze method, which means that offsetting value changes related to the hedged risk are not recorded. Consequently, negative fair value changes related to the same type of risk are not recognized during the period of the hedge unless a net loss, i.e., negative ineffectiveness, arises which is recognized as a provision for imminent losses.

For the purpose of hedge accounting forward contracts to buy or sell commodities are treated as financial instruments.

Reclassifications

Receivables and securities have to be classified as trading activities, liquidity reserve or non-current investments at inception.

A reclassification into trading after initial recognition is not permitted and a reclassification from trading activities is only allowed if the intent changes due to exceptional market conditions, especially conditions that adversely affect the ability to trade. Furthermore, financial instruments held with a trading intent may be designated subsequently as hedging instruments into a valuation unit.

A reclassification between the categories liquidity reserve and non-current investments occurs when there is a clear change in management intent after initial recognition which is documented.

The reclassifications are made when the intent changes and at the fair value as of the reclassification date.

Participating interests and investments in affiliated companies

Participating interests are recognized either at cost or utilizing the option available under Section 253 HGB at their lower fair value.

Investments in affiliated companies are accounted for at moderate lower-of-cost-or-market. This means that write-downs are only recognized if the impairment is considered other than temporary.

To determine the fair value of affiliated companies, a discounted cash-flow model is applied. The model discounts the expected free cash-flows for a five year horizon using a risk-adjusted interest rate. For the time after the five year period, the sustainable plan development is projected to determine the terminal value. The valuation includes measurable synergies for certain affiliated companies.

Participating interests and investments in affiliated companies are written up pursuant to the requirement to reinstate original values if the reason for the write-up can be objectively related to an event occurring after the write-down was recognized. The offsetting option available under Section 340c (2) HGB has been utilized.

Tangible and intangible assets

Tangible and intangible assets are reported at their acquisition or manufacturing cost less any depreciation or amortization. Self-developed brands, mastheads, publishing titles, customer lists and similar intangible assets are not recognized.

Write-downs are made for any impairment that is likely to be permanent.

Tangible and intangible assets have to be written up if the increase in value can be objectively related to an event occurring after the write-down was recognized.

Low-value assets are written off in the year in which they are acquired.

Derecognition of assets

An asset is generally derecognized when legal ownership is transferred.

However, if the seller irrespective of the asset’s legal transfer retains the majority of risks and rewards of ownership, the asset is not derecognized.

Securities lending/borrowing transactions in accordance with Section 246 (1) sentence 2 HGB remain recognized in the transferor’s balance sheet. Therefore the securities lent are not derecognized by the transferor because he remains exposed to the majority of risks and rewards of ownership.

Liabilities

Liabilities are recognized at their settlement or nominal amounts. Zerobonds issued at a discount are reported at their present value, using the original effective interest rate.

Instruments qualifying as additional tier 1 capital

The instruments issued qualify as liabilities and are recognized at their settlement or nominal amount. Interest is accrued based on the expected payments to the investors in the instruments.

Provisions

Provisions for pensions and similar obligations are recognized in accordance with actuarial principles. Pension provisions are calculated using the projected unit credit method and using the average market rate for an assumed remaining term of 15 years as published by the German Federal Bank unless the pension plan’s remaining term is shorter.

Assets which are exclusively used to settle pensions and similar obligations and which are controlled neither by Deutsche Bank AG nor any creditor (plan assets) are fair valued and offset with the respective provisions. Overfunded obligations are recognized on the balance sheet as a net asset after offsetting of provisions. For underfunded pension obligations and obligations from the bank’s internally financed plans, the relevant provisions are made.

If the settlement amount of pensions and similar obligations is solely based on the fair value of securities held as non-current financial assets, the provision is measured at the fair value of these securities if the fair value exceeds the guaranteed minimum.

Other provisions for uncertain liabilities or for onerous contracts (excluding trading activities) are recognized at their expected settlement amount applying the principles of prudent commercial judgment. Provisions for uncertain liabilities are discounted if the related cash outflows are not expected to arise within twelve months after the balance sheet date.

The assessment whether to recognize a provision for imminent losses comprises an evaluation whether a net loss is probable to arise for all interest-earning and interest-bearing positions which are not held with a trading intent, i.e., all positions within the banking book existing as of the reporting date.

The assessment whether a net loss is probable in respect of interest-earning and interest-bearing positions within the banking book requires comparing expected future net interest and expected future directly attributable fees with expected future funding and credit risk expenses as well as future expected administrative expenses associated with the interest-earning and interest-bearing positions as of the reporting date.

The assessment of a potential provision is aligned with the internal management of the interest-related position in the banking book. For open interest-related positions of the banking book a present value based approach is used supplemented by an analysis of the historic cost coverage of risk and administrative costs by net interest surpluses for the positions hedged against interest rate risk.

Deferred taxes

Deferred tax assets and deferred tax liabilities on temporary differences between the accounting and tax base for assets, liabilities and accruals are offset against each other and presented net on the balance sheet as either deferred tax assets or deferred tax liabilities. In determining deferred tax assets unused tax losses are taken into account, but only to the extent that they can be utilized within the following five years.

Treasury shares

If Deutsche Bank AG acquires its own shares (treasury shares) they are openly deducted at cost from capital and distributable reserves in a separate column on the face of the balance sheet with no gain or loss being recognized in the income statement.

If such treasury shares are subsequently sold the previously mentioned deduction is reversed and any amount exceeding the original acquisitions costs is to be recognized within capital reserves whereas a loss on the subsequent sale is to be recognized in revenue reserves.

Currency translation

Currency translation is consistent with the principles set forth in Sections 256a and 340h HGB.

Assets denominated in foreign currency and treated as fixed assets, but not separately covered in the same currency, are shown at historical cost unless the change in the foreign currency rate is other than temporary so that the assets have to be written down. Other foreign currency denominated assets and liabilities and outstanding cash deals are translated at the mid spot rate at the balance sheet date, and forward exchange deals at the forward rate at the balance sheet date.

The definition of those positions in foreign currency for which the bank applies the special coverage method according to Section 340h HGB reflects internal risk management procedures.

The accounting for gains and losses from currency translation depends on to which foreign currency positions they relate. Gains and losses from currency translation of trading assets and trading liabilities as well as gains and losses from the translation of positions which are specifically covered are recognized in the income statement. The same applies to foreign currency positions which are not specifically covered but have a remaining term of one year or less. In contrast, for foreign currency positions which are not specifically covered and have a remaining term of more than year in accordance with the imparity principle only the losses from currency translation are recognized. The result of currency translation is included in the net trading result and in other operating income and expenses.

The items on the balance sheets and the income statements of foreign branches are translated into euros at mid-rates at the respective balance sheet dates (closing-rate method). Differences resulting from the translation of balance sheet items within the bank – with the exception of exchange rate losses on the translation of the capital allocated to the branches outside Germany (including gains and losses carried forward) – are reported as sundry assets or sundry liabilities not affecting net income.

Notes to the Balance Sheet

Maturity structure of receivables

in € m.	Dec 31, 2017	Dec 31, 2016
Other Receivables from banks without receivables repayable on demand	**84,958**	94,978
with a residual period of		
up to three months	23,262	26,316
more than three months and up to one year	15,731	21,587
more than one year and up to five years	19,763	19,509
more than five years	26,203	27,565
Receivables from customers	**231,600**	274,089
with a residual period of		
up to three months	126,124	154,441
more than three months and up to one year	23,717	23,938
more than one year and up to five years	53,548	68,588
more than five years	26,305	26,428
with an indefinite period	1,906	694

Securities

The table below provides a breakdown of the marketable securities contained in the listed balance sheet positions.

	listed		unlisted	
in € m.	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Bonds and other fixed-income securities	31,807	37,534	6,667	6,866
Equity shares and other variable-yield securities	149	165	6	7
Participating interests	0	4	40	42
Investments in affiliated companies	0	0	1,125	1,094

Of the bonds and other fixed-income securities of € 38.5 billion, € 3.7 billion mature in 2018.

Bonds and other fixed-income securities held as fixed assets are reported at amortized cost as Deutsche Bank intends to hold these securities for the foreseeable future. Their total carrying amount as of the reporting date amounts to € 3,170 million. These bonds are held in two different portfolios. The first one, with a fair value of € 3,238 million (carrying amount € 3,113 million) is related to the Strategic Liquidity Reserve, which is managed by Group Treasury. It contains high quality government, supranational and agency bonds, which were reclassified from the liquidity reserve in early January 2016, because of a change of intent to hold for the foreseeable future rather than exit or trade in the short term. These bonds were reclassified at their carrying value, which was below market value at the reclassification date.

The second portfolio mainly included reclassifications carried out in 2008 and 2009 due to significantly reduced liquidity in the financial markets. For those assets reclassified, a change of intent to hold for the foreseeable future rather than exit or trade in the short term occurred. These assets were reclassified with the lower fair value at reclassification date. The intrinsic value of these assets exceeded at reclassification date the estimated fair value. These securities were managed in separated portfolios. The lower fair value of these securities amounted to € 46 million at the reporting date (carrying amount € 57 million). Where available, the fair value was derived from observable prices or parameters. Where observable market prices or inputs were not available, valuation techniques appropriate for the particular instrument were applied.

Investments in investment funds

The following table shows a breakdown of investments in German and foreign investment funds by investment purpose, where the fund units held exceeded 10 %.

				Dec 31, 2017
in € m.	Carrying value	Fair value	Difference between fair value and carrying value	Distribution in 2017
Equity funds	380	380	0	0
Bonds funds	124	124	0	0
Mixed funds	3,101	3,101	0	0
Currency funds	0	0	0	0
Commodities funds	0	0	0	0
Total	3,605	3,605	0	0

The investments in the funds were assigned to trading assets. Their carrying values corresponded to their fair values. The majority of the funds were exchange traded funds established by Deutsche Bank.

The conditions to postpone the redemption of fund units may vary from fund to fund. They may be based on a minimum asset value or make it discretionary to the fund directors. Restrictions for daily redemption of the fund units relate to cases where too many investors try to redeem at a specific point in time. In these cases the funds might postpone the redemption until such time that they can fulfill the redemption request.

Transactions subject to sale and repurchase agreements

The book value of assets reported on the balance sheet and sold subject to a repurchase agreement in the amount of € 33.7 billion related exclusively to securities sold under repo agreements.

Trading assets and liabilities

Financial instruments held with a trading intent

The following table provides a breakdown of trading assets and trading liabilities.

Dec 31, 2017 in € m.	Trading assets	in € m.	Trading liabilities
Derivative financial instruments	330,556	Derivative financial instruments	321,909
Receivables	100,056	Liabilities	198,004
Bonds and other fixed-income securities	63,614		
Equity shares and other variable-yield securities	97,605		
Sundry assets	10,091		
Risk adjustment	(166)		
Total	601,755	Total	519,913

The basic assumptions to determine the fair value using accepted valuation methods are presented in detail in the section “Basis of Presentation”.

The subsequent table breaks down the derivatives valued at fair value which correspond to trading derivatives, by type and volume.

	Dec 31, 2017
in € m.	Notional amount
OTC products	42,414,338
interest rate-linked transactions	34,486,122
exchange rate-linked transactions	5,731,586
credit derivatives	508,355
equity- and index-linked transactions	1,677,198
other transactions	11,077
Exchange-traded products	6,180,967
interest rate-linked transactions	5,394,762
equity- and index-linked transactions	46,958
exchange rate-linked transactions	700,208
other transactions	39,039
Total	48,595,305

The amount, timing and the reliability of future cash flows are impacted by the interest rate environment, from the development in the equity and debt markets as well as the credit spreads and defaults.

Method and assumptions and risk adjustment amount

The calculation of the risk adjustment is based on the model to calculate the regulatory value-at-risk which incorporates financial instruments held or incurred for trading purposes. The valuation of trading assets might require various valuation adjustments e.g. for liquidity risks which are explained in more detail under “Basis of Presentation” in the section “Trading activities”.

The calculation of the value-at-risk adjustment (“VaR-adjustment”) is based on a holding period of ten days and a confidence level of 99 %. The observation period is 261 trading days.

In addition to the regulatory VaR-adjustment the risk adjustment was supplemented by additional risk figures related to Deutsche Bank’s own credit risk which is not covered by the VaR calculation.

The absolute amount of the risk adjustment is € 166 million.

Change of criteria for the classification of financial instruments as trading

During the year 2017 the criteria related to the assignment of financial instruments to trading assets and liabilities remained unchanged.

Subordinated assets

Subordinated assets

in € m.	Dec 31, 2017	Dec 31, 2016
Receivables from banks	690	795
Receivables from customers	126	138
Bonds and other fixed-income securities	1,261	382
Trading assets	4,131	9,231

Derivative financial instruments

Forward transactions

Forward transactions outstanding at the balance sheet date consisted mainly of the following types of business:

— interest rate-linked transactions: forward deals linked to debt instruments, forward rate agreements, interest rate swaps, interest futures, option rights in certificate form, option deals and option contracts linked to interest rates and indices;
— exchange rate-linked transactions: foreign exchange and precious metal forwards, cross-currency swaps, option rights in certificate form, option deals and option contracts linked to foreign exchange and precious metals, foreign exchange and precious metal futures;
— share-/index-related transactions: equity forwards and futures, index futures, option rights in certificate form, option deals and option contracts linked to equities and indices;
— credit derivatives: credit default swaps (CDS), total return swaps (TRS), credit linked notes (CLN).

The above types of transactions are concluded almost exclusively to hedge interest rate, exchange rate and market price fluctuations in trading activities.

Derivatives not accounted for at fair value

The subsequent table presents derivative financial instruments recorded as banking book derivatives that are generally not accounted for at fair value.

					Dec 31, 2017
	Notional	Carrying value		Fair value	
in € m.	amount	positive	negative	positive	negative
OTC products					
interest rate-related transactions	588,655	476	699	2,525	2,430
exchange rate-related transactions	135,149	257	182	2,889	3,835
equity/ index-related transactions	0	0	0	0	0
credit derivatives	3,741	16	21	9	21
other transactions	38	0	0	0	8
Total	727,583	750	902	5,424	6,294

The carrying values of derivatives generally not recorded at fair value are reported in “Sundry Assets” and “Sundry Liabilities”.

Valuation Units (Hedge Accounting)

Deutsche Bank AG enters into valuation units via fair value hedges, to protect itself essentially through interest rate swaps and options against fair value changes of fixed rate securities resulting from changes in market rates.

In case credit derivatives in the banking book do not qualify for loan collateral treatment, hedge accounting is applied in line with pronouncement IDW RS BFA 1.

Additional risks resulting from bifurcatable derivatives embedded in hybrid financial instruments are hedged as well via micro-hedge relationships.

In addition to the cases described above Deutsche Bank hedges commodity risks via micro- and portfolio-hedge relationships.

The subsequent table provides an overview of the hedged items in valuation units including the amount of hedged risks. For hedged assets and hedged liabilities the carrying value is presented as well.

		Dec 31, 2017
in € m.	Carrying value	Amount of secured risk
Secured assets, total	36,277	(202)
Secured liabilities, total	111,459	(4,547)
	Notional amount	Amount of secured risk
Pending transactions	80,306	285

The amount of hedged risk, if negative, represents the cumulative decrease in fair value for assets respectively the cumulative increase of fair value for liabilities since inception of the hedge relationship that were not recognized in profit and loss net, after considering hedges. Positive amounts of hedged risk correspond to the cumulative increase in fair value of assets respectively the cumulative decrease in fair value of liabilities that were not recognized in profit and loss net, after considering hedges.

Using foreign exchange forwards and swaps, Deutsche Bank AG contracts fair value hedges of foreign-exchange risks of its branches dotational capital and profit/loss carried forward representing the net asset value exposed to foreign exchange risk. The carrying amount of the net position hedged via macro hedges amounts to € 29.8 billion. The amount of hedged risk is negative € 740 million. The final offset of the mirroring spot rate changes takes place at the point in time when the dotational capital is redeemed.

In instances where the contractual terms of hedged item and hedging instrument are exactly offsetting, both prospective assessment of effectiveness and retrospective measurement of ineffectiveness of a valuation unit are based on the matching of critical terms. In addition the bank may utilize statistic methods and regression analysis for the assessment of effectiveness. Deutsche Bank AG compares the amounts of the changes of fair values of hedged items and hedging instruments (dollar-offset method). The valuation units are generally established over the remaining maturity of the hedged items.

Information on affiliated, associated and related companies

	Affiliated companies		Associated and related companies	
in € m.	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Receivables from banks	82,516	112,928	0	0
Receivables from customers	57,427	74,963	20	255
Bonds and other fixed-income securities	2,291	1,455	3	7
Liabilities to banks	95,030	97,012	1	1
Liabilities to customers	28,066	41,592	36	66
Liabilities in certificate form	1,023	1,163	0	0
Subordinated liabilities	5,194	6,027	0	0

A complete list of the Shareholdings of Deutsche Bank AG (including companies, where the holding equals or exceeds 20 % and holdings in large corporations, where the holding exceeds 5 % of the voting rights) can be found in the Note “Shareholdings”.

Trust business

	Assets held in trust			Liabilities held in trust	
in € m.	Dec 31, 2017	Dec 31, 2016	in € m.	Dec 31, 2017	Dec 31, 2016
Receivables from customers	14	39	Liabilities to banks	0	0
Bonds and other fixed-income securities	7	9	Liabilities to customers	29	58
Equity shares and other variable-yield securities	3	4			
Participating interests	4	4			
Sundry assets	1	2			
Total	29	58	Total	29	58

Fixed Assets

The following schedule shows the changes in fixed assets.

	Acquisition/manufacturing costs			Depreciation/amortization, write-downs and value adjustments			Book value	
in € m.	Balance at Jan 1, 2017	Additions	Disposals	Cumulative	therein current year	therein disposals	Balance at Dec 31, 2017	Balance at Dec 31, 2016
Intangible assets	6,316	1,075	130	3,215	878	70	4,046	4,007
Self-developed intangible assets	4,523	1,050[1]	123	2,171	726	66	3,279	3,109
Purchased intangible assets	1,097	24	7	365	143	3	749	870
Goodwill	697	0	0	678	10	0	19	28
Down-payments	0	0	0	0	0	0	0	0
Tangible assets	2,692	356	107	1,916	235	93	1,025	939
Land and buildings	93	0	13	24	2	5	56[2]	63
Office furniture and equipment	2,586	356	93	1,888	229	88	961	865
Leasing assets	13	0	0	5	4	0	8	11
			Change					
Participating interests			87				474	387
Investments in affiliated companies			(488)[3]				43,561	44,049
Money market instruments			(24)				0	24
Bonds and other fixed-income securities			(101)				3,170	3,271
thereof: included in valuation units according to Section 254 HGB			0				0	0
Equity shares and other variable-yield securities			(5)				0	5
thereof: included in valuation units according to Section 254 HGB			0				0	0

The option to combine financial assets pursuant to Section 34 (3) RechKredV has been utilized. Exchange rate changes at foreign branches resulting from currency translation at closing rates have been recognized in acquisition/manufacturing costs (balance at January 1, 2017) and in cumulative depreciation/amortization, write-downs and value adjustments.

[1] Additions to self-developed intangible assets relate to self-developed software.

[2] Land and buildings with a total book value of € 56 million were used as part of our own activities.

[3] Investments in affiliated companies decreased by € 488 million to € 43.6 billion. Additions of investments in affiliated companies amounted to € 2.9 billion compared to decreases of € 3.4 billion. The decrease was mainly attributable to capital decreases of € 1.3 billion, a negative impact of foreign currency translation of € 1.1 billion and net write – downs of € 677 million. It was mainly offset by capital increases of € 2.6 billion.

Intangible assets

The goodwill reported under intangible assets is amortized over its estimated useful life of between five and 15 years. Its determination is based on economic and organizational factors such as future growth and profit prospects, mode and duration of expected synergies, leveraging customer base and assembled workforce of the acquired business. Software classified as an intangible asset is amortized over its useful life, which extends over a period of up to 10 years.

Sundry assets

Sundry assets of € 5.9 billion mainly consist of receivables from balloon-payments from swaps of € 2.1 billion, from profit pooling agreements of € 1.3 billion and claims against tax authorities of € 1.0 billion.

Prepaid expenses

Prepaid expenses include discounts between the issuance and redemption amount for liabilities of € 20 million.

Deferred taxes

Deferred taxes are determined for temporary differences between commercial carrying amounts of assets and liabilities and accruals and their tax bases when it is anticipated that such differences will reverse in subsequent reporting periods. In this context, temporary differences of consolidated tax group subsidiaries/partnerships where Deutsche Bank AG is a shareholder/partner are included in the determination of Deutsche Bank AG's deferred taxes as well. Deutsche Bank AG – New York Branch executed the tax allocation agreement whereby it is reimbursed for its deductible temporary differences, unused tax losses and tax credits. In addition, unused tax losses are taken into account when determining deferred tax assets, to the extent that they will be utilized within the following five years. The measurement of deferred taxes is based on the combined income tax rate of the tax group of Deutsche Bank AG which is currently 31.3 %. The combined income tax rate includes corporate tax, trade tax and solidarity surcharge.

By contrast, deferred taxes arising from temporary differences in German investments in the form of a partnership are measured based on a combined income tax rate which includes only the corporate income tax and solidarity surcharge; this currently amounts to 15.83 %.

Deferred taxes in foreign branches are measured with the applicable statutory tax rates which are mainly within a range of 20 % and 38 %.

In the reporting period an overall deferred tax asset of € 2.4 billion was presented on the balance sheet. Significant contributors were – Deutsche Bank AG – "domestic bank", including deferred taxes of consolidated tax group subsidiaries, Deutsche Bank AG – New York Branch and Deutsche Bank AG – London Branch. These are mainly based on unused tax losses and temporary differences, the latter mainly relating to staff related obligations and fair value measurements of loan portfolios and trading books.

Maturity structure of liabilities

in € m.	Dec 31, 2017	Dec 31, 2016
Liabilities to banks with agreed period or notice period	**120,381**	125,253
with a residual period of		
up to three months	58,256	52,105
more than three months and up to one year	38,706	21,157
more than one year and up to five years	13,980	42,634
more than five years	9,438	9,357
Savings deposits with agreed notice period of more than three months	**1,106**	1,171
with a residual period of		
up to three months	507	507
more than three months and up to one year	587	640
more than one year and up to five years	11	24
more than five years	0	0
Other liabilities to customers with agreed period or notice period	**102,319**	87,514
with a residual period of		
up to three months	52,233	43,704
more than three months and up to one year	29,772	24,266
more than one year and up to five years	11,199	11,035
more than five years	9,114	8,510
Other liabilities in certificate form	**10,149**	6,800
with a residual period of		
up to three months	4,697	2,573
more than three months and up to one year	5,433	4,223
more than one year and up to five years	20	4
more than five years	0	0

Of the issued bonds and notes of € 90.5 billion, € 14.7 billion mature in 2018.

Liabilities for which assets were pledged as collateral

Liabilities for which assets were pledged as collateral

in € m.	Dec 31, 2017	Dec 31, 2016
Liabilities to banks	11,522	5,971
Liabilities to customers	14,798	10,260
Trading liabilities	4,896	2,766
Other liabilities	957	383

Sundry liabilities

Sundry liabilities of € 7.7 billion mainly contain liabilities due to failed derecognition amounting to € 3.9 billion, operating expenditure to be paid amounting to € 1.0 billion, FX revaluation effects for dotational capital and P&L carried forward of € 689 million and equalization of assessment regarding specially covered FX positions according to §340h HGB amounting to € 507 million.

Pensions and similar obligations

Deutsche Bank AG sponsors post-employment benefit plans for its employees (pension plans) which contain defined contribution as well as defined benefit plans.

The majority of the beneficiaries of these pension plans are located in Germany. The value of a participant's accrued benefit is based primarily on each employee's remuneration and length of service.

December 31 is the measurement date for all defined benefit plans. All plans are valued using the projected unit-credit method. The valuation requires the application of certain actuarial assumptions such as demographic developments, increase in remuneration for active staff and in pensions as well as inflation rates. The discount rate is determined pursuant to the rules of Section 253 (2) HGB.

Assumptions used for pension plans	Dec 31, 2017	Dec 31, 2016
Discount rate	3.56 %	3.90 %
Inflation rate	1.80 %	1.60 %
Rate of nominal increase in future compensation levels	2.30 %	2.10 %
Rate of nominal increase for pensions in payment	1.70 %	1.50 %
Mortality/disability tables	Richttafeln Heubeck 2005 G	Richttafeln Heubeck 2005 G

The obligations from these defined benefit pension benefits are, for the most part, externally funded. Overfunded obligations are recognized on the balance sheet as a net asset after netting of provisions. For underfunded pension obligations and obligations from the bank's internally financed plans, the relevant provisions are recognized.

For defined contribution plans in Germany, where Deutsche Bank AG and other financial institutions are members of BVV, the subsidiary liability of employers contain the benefit payments and their legally required increases.

Furthermore, provisions are recognized for other similar long-term obligations, primarily in Germany, for example, for anniversary years of service or early retirement schemes. The bank funds these plans on a cash basis as the benefits are due.

	Pension plans	
in € m.	Dec 31, 2017	Dec 31, 2016
Pension obligation (recognized in the Financials)	**4,848**	4,604
Notional pension obligation based on 7-year-average discount rate	5,371	5,041
Income recognized due to discount rate difference	524	437
Fair value of plan assets	**5,746**	5,705
thereof:		
cost of plan assets	5,356	5,327
total of unrealized gains within plan assets	390	377
Net overfunded amount at year end	**898**	1,101
Net pension asset	**898**	1,101
thereof:		
recognized as “Overfunded plan assets related to pension plans”	944	1,149
recognized as “Provisions for pensions and similar obligations”	46	48

As in last year adopting the revised valuation principles according to §253 (6) HGB results in a valuation difference between the defined benefit obligation recognized in the financials using the 10-year-average discount rate and the 7-year-average discount rate. This difference has been recognized as a gain in the amount of € 524 million since 1 January 2016 and is subject to dividend blocking provisions.

	Pension plans	
in € m.	2017	2016
Return from plan assets	**29**	372
Interest costs for the unwind of discount of pension obligations	**353**	102
Net interest income (expense)	**(324)**	270
thereof: recognized as “Other operating income”	0	274
thereof: recognized as “Other operating expenses”	324	4

Other Provisions

in € m.	Dec 31, 2017
Provisions for imminent losses	677
Provisions for loan losses	347
Remaining other provisions	4,092
Total other provisions	**5,116**

The remaining Other Provisions are set for the following (main) types of risk:

Staff related provisions have been set up to reflect additional compensation and benefits to employees. They relate to variable payments and deferred compensation, share-based compensation, obligations for early retirement and others. The provided amount totals € 2.1 billion.

Regulatory Enforcement provisions arise out of current or potential claims or proceedings alleging non-compliance with legal or regulatory responsibilities, which have resulted or may result in an assessment of fines or penalties by governmental regulatory agencies, self-regulatory organizations or other enforcement authorities. The provision for this risk is € 733 million per year end 2017.

Civil Litigation provisions arise out of current or potential claims or proceedings alleging non-compliance with contractual or other legal or regulatory responsibilities, which have resulted or may result in demands from customers, counterparties or other parties in civil litigations. The provision for this risk is € 585 million per year end 2017.

Operational provisions arise out of operational risk and exclude civil litigation and regulatory enforcement provisions, which are presented as separate classes of provisions. The provision for this risk is € 250 million per year end 2017.

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The definition used for the purposes of determining operational provisions differs from the risk management definition, as it excludes risk of loss resulting from civil litigations or regulatory enforcement matters. For risk management purposes, operational risk includes legal risk, as payments to customers, counterparties and regulatory bodies in civil litigations or regulatory enforcement matters constitute loss events for operational shortcomings, but excludes business and reputational risk.

Restructuring provisions arise out of restructuring activities. The Group aims to enhance its long-term competitiveness through major reductions in costs, duplication and complexity in the years ahead. The provision for these activities is € 139 million per year end 2017.

Sundry provisions are set to € 330 million per year end 2017.

Subordinated liabilities

Subordinated liabilities are issued in the form of fixed rate and floating rate securities, registered and bearer bonds and borrower's note loans and have original maturities mostly within ten and 30 years.

Deutsche Bank AG is not obliged to redeem subordinated liabilities in advance of the specified maturity date, however in some cases early redemption at the issuer's option is possible. In the event of liquidation or insolvency, the receivables and interest claims arising from these liabilities are subordinate to the non-subordinated receivables of all creditors of Deutsche Bank AG. The conversion of these funds into equity or another form of debt is not anticipated under the terms of the notes. These conditions also apply to subordinated liabilities not specified individually.

Material subordinated liabilities above € 1.0 billion

Currency	Amount in million	Type	Year of issuance	Coupon	Maturity/Next call date
€	1,095	Bearer bond	2010	5.000 %	24.06.2020[1]
U.S.$	1,500	Registered bond	2013	4.296 %	24.05.2023[2]
€	1,000	Registered bond	2008	8.000 %	15.05.2018[2]
U.S.$	1,385	Registered bond	2008	8.050 %	30.06.2018[2]
U.S.$	1,975	Registered bond	2008	7.600 %	20.02.2018[3]
€	1,250	Bearer bond	2015	2.750 %	17.02.2025[1]
U.S.$	1,500	Bearer bond	2015	4.500 %	01.04.2025[1]

[1] Maturity date of bonds. Bonds have some extraordinary call features, which are subject to approval by regulators or changes in tax laws.
[2] Next call date of bonds.
[3] Maturity date of bond, which was already called on January 17, 2018.

Expenses for all subordinated liabilities of € 12.1 billion totaled € 370 million, including results from hedging derivatives. Accrued but not yet matured interest of € 216 million included in this figure is reported in sundry liabilities.

Instruments for Additional Tier 1 Regulatory Capital

In 2014, Deutsche Bank AG placed Additional Tier 1 Notes (the "AT1 Notes" or "Notes"), amounting to € 4.7 billion. Since then no further AT1 Notes were issued.

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

As of December 31, 2017 the notes amounted to € 4.8 billion compared to € 5.1 billion last year. The reduction is related to FX-effects. Interest expense on the notes for 2017 totaled € 318 million and included € 213 million of accrued interest as of year-end 2017, which was recorded within other liabilities.

AT1 Notes outstanding as of December 31, 2017

Currency	Amount in million	Type	Year of issuance	Coupon	First call date
€	1,750	Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes	2014	6.000 %	30.04.2022
U.S.$	1,250	Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes	2014	6.250 %	30.04.2020
GBP	650	Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes	2014	7.125 %	30.04.2026
U.S.$	1,500	Undated Non-cumulative Fixed to Reset Rate Additional Tier 1 Notes	2014	7.500 %	30.04.2025

Foreign currencies

The total amount of assets denominated in foreign currencies was equivalent to € 750.3 billion at the balance sheet date; the total value of liabilities was equivalent to € 493.7 billion.

Capital and reserves

Own shares

In the course of 2017, the bank or its affiliated companies bought 462,690,358 Deutsche Bank shares at prevailing market prices and sold 462,610,015 Deutsche Bank shares at prevailing market prices for trading purposes. The purchase of its own shares was based on the authorization given by the General Meeting on May 23, 2013 pursuant to Section 71 (1) No. 7 AktG and on the renewed authorization given by the General Meeting on May 18, 2017, whose limitations were adhered to for each share purchase and sale transaction. The average purchase price was € 16.14 and the average selling price was € 16.14 per share. The result was recognized in the capital reserve.

The bank's own shares bought and sold for trading purposes during 2017 represented about 22 % of its share capital. The largest holding on any individual day was 0.06 % and the average daily holding 0.01 % of its share capital.

In addition, the bank was authorized to buy own shares by the General Meetings of May 18, 2017 and of May 19, 2016 pursuant to Section 71 (1) No. 8 AktG. The respective limitations were adhered to for each purchase and sale transaction. The authorization for the bank to purchase its own shares, which was given by the General Meeting on May 19, 2016 and valid until April 30, 2021, was cancelled once the authorization of May 18, 2017 came into effect. The new authorization was approved until April 30, 2022.

Additionally the Annual General Meeting of May 18, 2017 authorized the Management Board pursuant to Section 71 (1) No. 8 AktG to execute the purchase of shares under the resolved authorization also with the use of put and call options or forward purchase contracts. The limitations concerning the use of such derivatives were adhered to for each purchase and sale transaction.

At the end of 2017, Deutsche Bank AG held 174,370 own shares pursuant to Section 71 (1) No. 7 AktG. Its holdings pursuant to Section 71 (1) No. 8 AktG amounted to 108,089 shares, or 0.01 % of its share capital. On December 31, 2017, 7,598,801 (end of 2016: 5,089,000) Deutsche Bank shares, i.e. 0.37 % (end of 2016: 0.37 %) of our share capital, were pledged to the bank and its affiliated companies as security for loans.

Changes in subscribed, authorized and conditional capital

The bank's subscribed capital is divided into 2,066,773,131 registered no-par-value shares and each share has a nominal value of € 2.56. In April 2017, 687,500,000 new shares were issued from authorized capital with pre-emptive rights against cash contribution. Excluding holdings of the bank's own shares, the number of shares outstanding at December 31, 2017 was 2,066,490,672 (end of 2016: 1,379,174,241). The average number of shares outstanding in the reporting period was 1,895,158,284.

in €	Subscribed capital[1]	Authorized capital	Conditional capital (yet to be utilized)
Balance as of Dec 31, 2016	3,530,939,215.36	1,760,000,000.00	486,400,000.00
Capital increase against cash contribution	1,760,000,000.00	(1,760,000,000.00)	0
Cancellation pursuant to the General Meeting resolution of May 18, 2017	0	0	(486,400,000.00)
Increase pursuant to the General Meeting resolution of May 18, 2017	0	2,560,000,000.00	563,200,000.00
Balance as of Dec 31, 2017	5,290,939,215.36	2,560,000,000.00	563,200,000.00

[1] Includes nominal value of treasury shares.

Details with regard to the authorized and the yet to be utilized conditional capital are presented in the note concerning the Information pursuant to Section 289 (4) of the German Commercial Code.

Changes in capital and reserves

in € m.		
Balance as of Dec 31, 2016		46,067
Distribution in 2017		(392)
Profit carried forward		(55)
Capital increase against cash contribution		
– increase in subscribed capital	1,760	
– allocation to capital reserve	6,277	8,037
Treasury shares		
– Change in notional value in treasury shares	(0)	
– Change of acquisition costs	(6)	
– Realized net gains (non-trading)	0	
– Realized result (trading)	7	
– Realized net losses (non-trading)	(15)	(14)
Profit allocation to other revenue reserves		300
Distributable profit for 2017		399
Balance as of Dec 31, 2017		54,343

Taking into account the profit carried forward from the prior year of € 55 million and the profit allocation to other revenue reserves of € 300 million, the distributable profit amounted to € 399 million as of December 31, 2017. The Bank will propose to the Annual General Meeting to pay a dividend of € 0.11 per share and to carry forward the remaining distributable profit.

Off-balance sheet transactions

The bank discloses contingent liabilities and irrevocable loan commitments as off-balance sheet transactions as far as no provisions have been established for them. The decision, whether the disclosure of the contingent liabilities and irrevocable loan commitments will be shown off-balance sheet or recognized as provisions is taken upon the result of the evaluation of the credit risk. Contingent liabilities and irrevocable loan commitments are also reduced by the amount of cash collateral received, which is recorded as liability on the balance sheet.

The risk of losses from claims under contingent liabilities is mitigated by the possibility to recourse towards the respective customer and hence is based predominantly on the credit risk of the customer.

The bank evaluates the risk of losses from claims under contingent liabilities and irrevocable credit commitments before irrevocably entering into an obligation within a credit risk assessment of the customer or using an assessment of the customer's expected compliance with the underlying obligation. Additionally the bank regularly assesses during the lifetime of the commitment whether losses are expected from claims under contingent liabilities and irrevocable loan commitments. In certain circumstances the bank requests the provision of collateral to reduce the risk of losses from claims. Loss amounts assessed within such evaluations are recorded on the balance sheet as provisions.

Contingent liabilities

In the normal course of business Deutsche Bank AG enters regularly into guarantees, letters of credit and credit liabilities on behalf of its customers. Under these contracts Deutsche Bank AG is required to make payments to the beneficiary based on third party's failure to meet its obligations or to perform under an obligation agreement. For such contingencies it is not known to the bank in detail, if, when and to which extend claims will be made. If the credit risk monitoring provides sufficient perception about a loss from an expected drawing, a provision is recognized.

The following table shows the total potential payments under guarantees, letters of credit and credit liabilities after deduction of cash collateral and provisions recorded on the balance sheet. It shows the maximum amount of the potential utilization of Deutsche Bank AG in case all obligations entered into must be fulfilled and at the same time all recourse claims to the customers are not satisfied. The table therefore does not show the expected future cash flows from these contracts as many of these agreements will expire without being drawn or drawings will counterbalanced by recourse to the customer.

in € m.	Dec 31, 2017	Dec 31, 2016
Guarantees	37,418	38,750
Letters of credit	4,044	4,263
Credit liabilities	6,051	7,576

Irrevocable loan commitments

Irrevocable loan commitments amounted to € 115.5 billion as of December 31, 2017 and included commitments of € 114.4 billion for loans and discounts in favor of non-banks.

Deutsche Bank AG enters into irrevocable loan commitments to meet the financing needs of its customers. Irrevocable loan commitments represent the undrawn portion of Deutsche Bank's obligation to grant loans which cannot be withdrawn by Deutsche Bank. These commitments are shown with the contractual amount after consideration of cash collateral received and provisions as recorded on the balance sheet. The amounts stated above do not represent expected future cash flows as many of these contracts will expire without being drawn. Even though the irrevocable loan commitments are not recognized on the balance sheet, Deutsche Bank AG considers them in monitoring the credit exposure. If the credit risk monitoring provides sufficient perception about a loss from an expected drawing, a provision is established.

Deutsche Bank AG is engaged in various business activities with certain entities, referred to as special purpose entities ("SPEs"), which are designed to achieve a specific business purpose. The principal uses of SPEs are to provide clients with access to specific portfolios of assets and risks and to provide market liquidity for clients through securitizing financial assets. Typically, Deutsche Bank AG will benefit by receiving service fees and commissions for the creation of the SPEs, or because it acts as investment manager, custodian or in some other function. SPEs may be established as corporations, trusts or partnerships. While our involvement with these entities can take many different forms, it consists primarily of liquidity facilities, which are disclosed off balance sheet as irrevocable loan commitments within "other obligations" below the line of the balance sheet. Deutsche Bank AG provides financial support to SPEs in connection with commercial paper conduit programs, asset securitizations, mutual funds and real estate leasing funds. Such vehicles are critical to the functioning of several significant investor markets, including the mortgage-backed and other asset-backed securities markets, since they offer investors access to specific cash flows and risks created through the securitization process. As of December 31, 2017, Deutsche Bank AG's exposure has not had a material impact on its debt covenants, capital ratios, credit ratings or dividends.

Sundry obligations

Purchase obligations are legally enforceable and binding agreements to purchase goods or services at pre-defined terms such as minimum quantities or prices. When Deutsche Bank AG enters into such agreements there is the potential risk that terms and conditions of the contract are less favorable than terms and conditions at the time the goods or services are delivered or that related costs are higher than the economic benefit received. In case of an anticipated loss, Deutsche Bank AG may set aside a provision for onerous contracts.

Purchase obligations for goods and services amount to € 1.5 billion as of December 31, 2017, which include future payments for, among others, services such as information technology and facility management.

Leases are contracts in which the owner of an asset (lessor) grants the right to use this asset to another party (lessee) for a specific period of time in return for regular payments. A leasing contract is classified as Operating Lease if the agreement includes a limited or unlimited right of termination for the lessee. All main risks and benefits linked with the ownership of the asset remain with the lessor, the lessor remains economic owner. Operating leases provide an alternative to ownership as they enable the lessee to benefit from not having its resources invested in the asset. Deutsche Bank AG's existing obligations arising from operating leases involve rental and leasing agreements for buildings, office furniture and equipment. The majority of these are leasing agreements for buildings, where Deutsche Bank AG is the lessee. As of December 31, 2017 payment obligations under rental agreements and leases amounted to € 3.0 billion (€ 145 million were related to subsidiaries) and had residual maturities of up to 29 years.

As of December 31, 2017, including awards granted in early March 2018, unamortized deferred variable compensation costs amount to approximately € 1.1 billion.

Liabilities for possible calls on not fully paid-up shares in public and private limited companies and other shares amounted to € 114 million at the end of 2017, of which € 15 million were related to a subsidiary and € 97 million were related to associated entities.

Liabilities for possible calls on other shares totaled € 0.1 million at December 31, 2017.

Pursuant to Section 5 (10) of the Statute of the Deposit Protection Fund Deutsche Bank AG has undertaken to indemnify Bundesverband deutscher Banken e.V., Berlin, for any losses incurred through measures taken in favor of banks majority-held or controlled by Deutsche Bank AG.

Pursuant to Section 3 (1a) of the Statute of the Deposit Protection Fund for Banks' Building and Loan Associations, Deutsche Bank AG has also undertaken to indemnify Fachverband für Bank-Bausparkassen e.V. for any losses incurred through measures taken in favor of Deutsche Bank Bauspar AG, Frankfurt am Main.

Irrevocable payment commitments for to bank levy related to the Single Resolution Fund (SFR) and German statutory deposit protection amounted to € 319 million.

As part of the business activity of our foreign branches, collateral security of € 1.6 billion was required by statutory regulations.

Obligations arising from transactions on futures and options exchanges and towards clearing houses for which securities were pledged as collateral amounted to € 18.5 billion as of December 31, 2017.

There are contingent liabilities totaling € 9 million, which is mainly attributable to the resale of the trading company Klöckner & Co. AG, Duisburg.

Notes to the Income Statement

Income by geographical market

The total amount of interest income, of current income from equity shares and other variable-yield securities, participating interests and investments in affiliated companies, of commission income, of net trading result and of other operating income is originated across various regions as shown by the following breakdown pursuant to Section 34 (2) RechKredV.

in € m.	2017	2016
Germany	9,475	5,857
Europe excl. Germany	10,122	12,963
Americas	4,904	4,274
Africa/Asia/Australia	3,292	3,661
Total	**27,793**	26,755

The increase of income in Germany is mainly attributable to the higher trading result partly offset by lower commission and interest income. The decrease of income in Europe excl. Germany is mainly attributable to a decreased trading result.

Interest income and interest expenses

Interest income from lending and money market business included € 605 million of negative interest, i.e. interest expenses on receivables which were mainly related to receivables from banks and to trading assets. Interest expenses included € 359 million of negative interest, i.e. interest income on liabilities which was mainly related to liabilities to banks.

Administrative and agency services provided for third parties

The following administrative and agency services were provided for third parties: custody services, referral of mortgages, insurance policies and home savings contracts, administration of assets held in trust, and asset management.

Other operating income and expenses

Other operating income of € 2.4 billion mainly consists of the result from non-trading derivatives of € 926 million, income from the release of provisions of € 729 million and income from currency translation regarding assets and liabilities, which amounted to € 118 million.

Other operating expenses of € 2.8 billion include the result from non-trading derivatives of € 814 million, expenses related to allocations to provisions of € 768 million, expenses related to defined benefit plans of € 324 million as well as expenses from currency translation regarding assets and liabilities, which amounted to € 220 million.

Extraordinary result

Extraordinary income of € 0.4 million relates to the reversal of restructuring provisions (2016: income of € 3.4 million related to the reversal of restructuring provisions). Extraordinary expenses of € 64.4 million reflect restructuring activities (2016: expenses of € 309.0 million).

Extraordinary income and expenses net to an extraordinary result of negative € 64.0 million (2016: negative € 305.6 million).

Information regarding amount blocked according to Sections 253 (6) and 268 (8) HGB

The following table presents the amounts pursuant to sections 268 (8) HGB and 253 (6) HGB that should be considered for profit distribution. According to the second rule, the difference in the valuation of pension obligations based on average rates, either employing a ten year or a seven year period, has to be calculated. Please refer to our notes to the balance sheet, pensions and similar obligations. At Deutsche Bank AG the total distributable reserves after profit distribution plus the distributable profit are at least equal to the amounts to be considered. The individual positions include deferred tax liabilities, if applicable; therefore the amounts shown in the table may deviate from the corresponding balance sheet positions.

in € m.	Dec 31, 2017	Dec 31, 2016
Self-developed intangible assets	3,075	2,941
Deferred tax assets	2,743	2,607
Unrealized gains of plan assets	384	365
Valuation difference related to discounting of provisions for pension obligations	360	300
Total undistributable amount	**6,562**	6,213

Shareholdings

The following pages show the Shareholdings of Deutsche Bank AG pursuant to Section 285 Number 11 HGB including information pursuant to Section 285 Number 11a HGB. Pursuant to Section 286 (3) Sentence 1 Number 1 HGB, Deutsche Bank AG does not disclose own funds and annual result of individual holdings to the extent that those disclosures are insignificant for the presentation of assets and liabilities, financial position, and results of operations of Deutsche Bank AG.

Footnotes:

1 Own funds and annual result of business year 2016; local GAAP figures for business year 2017 are not yet available.
2 Profit and loss transfer agreement, annual result is not disclosed.
3 Own funds and annual result of the subgroup. The following companies starting with a dash are part of the subgroup; their own funds and annual result are incorporated in the subgroup data.
4 Status as shareholder with unlimited liability pursuant to Section 285 Number 11a HGB.
5 General Partnership.
6 Entity incorporated in 2017, hence no financial statements yet available.
7 Consolidated financial statements in accordance with IFRS.
8 Shortened fiscal year.

Companies, where the holding exceeds 20 %

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
1	ABATE Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
2	ABRI Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
3	AC VI Initiatoren GmbH & Co. KG	Munich		25.0		
4	Acacia (Luxembourg) S.à r.l.	Luxembourg		100.0		
5	Acamar Holding S.A.	Luxembourg		95.0		
6	Accounting Solutions Holding Company, Inc.	Wilmington		100.0		
7	ACHTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
8	ACHTUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
9	ACHTZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
10	ACIS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
11	ACTIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
12	Adara S.A.	Luxembourg		95.0		
13	ADEO Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
14	ADLAT Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
15	ADMANU Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
16	Agena S.A.	Luxembourg		95.0		
17	AGLOM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
18	AGUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
19	AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung	Frankfurt		26.9	231.8	22.9
20	ALANUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
21	Alfred Herrhausen Gesellschaft - Das internationale Forum der Deutschen Bank - mbH	Berlin		100.0		
22	ALMO Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
23	ALTA Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
24	Amber Investments S.à r.l.	Luxembourg		100.0		
25	ANDOT Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
26	APUR Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
27	Argantis GmbH i.L.	Cologne		50.0		
28	ATAUT Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
29	Atena SPV S.r.l	Conegliano		60.0		
30	AVOC Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
31	Baigo Capital Partners Fund 1 Parallel 1 GmbH & Co. KG	Bad Soden am Taunus		49.8	7.2	2.7
32	BAKTU Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
33	Baldur Mortgages Limited	London		100.0		
34	BALIT Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
35	Bankers Trust Investments Limited	London		100.0		
36	BANKPOWER GmbH Personaldienstleistungen	Frankfurt		30.0	6.5	4.2
37	Banks Island General Partner Inc.	Toronto		50.0		
38	Bayan Delinquent Loan Recovery 1 (SPV-AMC), Inc.	Makati City		100.0		
39	Benefit Trust GmbH	Luetzen		100.0	7,082.3	118.8
40	Bestra Gesellschaft für Vermögensverwaltung mit beschränkter Haftung	Duesseldorf		49.0		
41	BFDB Tax Credit Fund 2011, Limited Partnership	New York		99.9		
42	BIMES Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
43	Biomass Holdings S.à r.l.	Luxembourg	1	100.0	0.0	(3.9)
44	Birch (Luxembourg) S.à r.l.	Luxembourg		100.0		
45	BLI Beteiligungsgesellschaft für Leasinginvestitionen mbH	Duesseldorf		33.2		
46	BLI Internationale Beteiligungsgesellschaft mbH	Duesseldorf		32.0		
47	Borfield Sociedad Anonima	Montevideo		100.0		
48	BrisConnections Holding Trust	Kedron		35.6		
49	BrisConnections Investment Trust	Kedron		35.6		
50	BT Globenet Nominees Limited	London		100.0		
51	BVT-CAM Private Equity Beteiligungs GmbH	Gruenwald		50.0		
52	BVT-CAM Private Equity Management & Beteiligungs GmbH	Gruenwald		50.0	0.7	2.5
53	CAM Initiator Treuhand GmbH & Co. KG	Cologne		100.0		
54	CAM PE Verwaltungs GmbH & Co. KG	Cologne		100.0		
55	CAM Private Equity Nominee GmbH & Co. KG	Cologne		100.0		
56	CAM Private Equity Verwaltungs-GmbH	Cologne		100.0		
57	Cape Acquisition Corp.	Wilmington		100.0		
58	CapeSuccess Inc.	Wilmington		100.0		
59	CapeSuccess LLC	Wilmington		82.6		
60	Cardales Management Limited (in members' voluntary liquidation)	St. Peter Port		100.0		
61	Cardales UK Limited	London		100.0	16.7	1.3
62	Career Blazers Consulting Services, Inc.	Albany		100.0		
63	Career Blazers Contingency Professionals, Inc.	Albany		100.0		
64	Career Blazers Learning Center of Los Angeles, Inc.	Los Angeles		100.0		
65	Career Blazers LLC	Wilmington		100.0		
66	Career Blazers Management Company, Inc.	Albany		100.0		

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
67	Career Blazers New York, Inc.	Albany		100.0		
68	Career Blazers of Ontario Inc.	London, Ontario		100.0		
69	Career Blazers Personnel Services of Washington, D.C., Inc.	Washington D.C.		100.0		
70	Career Blazers Personnel Services, Inc.	Albany		100.0		
71	Career Blazers Service Company, Inc.	Wilmington		100.0		
72	Cathay Advisory (Beijing) Co., Ltd.	Beijing		100.0		
73	Cathay Asset Management Company Limited	Port Louis		100.0		
74	Cathay Capital Company (No 2) Limited	Port Louis		67.6	246.6	57.0
75	CBI NY Training, Inc.	Albany		100.0		
76	Cedar (Luxembourg) S.à r.l.	Luxembourg		100.0		
77	Centennial River 1 Inc.	Denver		100.0		
78	Centennial River 2 Inc.	Austin		100.0		
79	Centennial River Acquisition I Corporation	Wilmington		100.0		
80	Centennial River Acquisition II Corporation	Wilmington		100.0		
81	Centennial River Corporation	Wilmington		100.0		
82	CITAN Beteiligungsgesellschaft mbH	Frankfurt	2	100.0	13.6	0.0
83	City Leasing (Thameside) Limited	London		100.0		
84	City Leasing Limited	London		100.0		
85	Comfund Consulting Limited	Bangalore		30.0		
86	Consumo S.p.A.	Milan		100.0		
87	Craigs Investment Partners Limited	Tauranga		49.9	35.5	16.6
88	CREDA Objektanlage- und verwaltungsgesellschaft mbH	Bonn	2	100.0		
89	CTXL Achtzehnte Vermögensverwaltung GmbH i.L.	Munich		100.0		
90	D B Investments (GB) Limited	London	1	100.0	1,725.6	0.0
91	D&M Turnaround Partners Godo Kaisha	Tokyo		100.0		
92	DAHOC (UK) Limited	London		100.0		
93	DAHOC Beteiligungsgesellschaft mbH	Frankfurt		100.0	15.5	2.1
94	Danube Properties S.à r.l., en faillite	Luxembourg		25.0		
95	DB (Barbados) SRL	Christ Church		100.0		
96	DB (Malaysia) Nominee (Asing) Sdn. Bhd.	Kuala Lumpur		100.0		
97	DB (Malaysia) Nominee (Tempatan) Sdn. Bhd.	Kuala Lumpur		100.0		
98	DB Advisors SICAV	Luxembourg		96.1	8,570.5	129.4
99	DB Alternative Strategies Limited (in voluntary liquidation)	George Town		100.0		
100	DB Aotearoa Investments Limited	George Town		100.0		
101	DB Apex Management Limited	George Town		100.0		
102	DB Beteiligungs-Holding GmbH	Frankfurt	2	100.0	10,618.8	0.0
103	DB Capital Investments Sàrl	Luxembourg		100.0	(121.9)	(14.6)
104	DB Capital Markets (Deutschland) GmbH	Frankfurt	2	100.0	1,705.1	0.0
105	DB Capital Partners General Partner Limited (in members' voluntary liquidation)	London		100.0		
106	DB Cartera de Inmuebles 1, S.A.U.	Pozuelo de Alarcón		100.0	6.7	(2.9)
107	DB Chambers Limited (in voluntary liquidation)	George Town		100.0		
108	DB Chestnut Holdings Limited	George Town		100.0		
109	DB Consorzio S. Cons. a r. l.	Milan		100.0		
110	DB Corporate Advisory (Malaysia) Sdn. Bhd.	Kuala Lumpur		100.0		
111	DB Covered Bond S.r.l.	Conegliano		90.0		
112	DB Credit Investments S.à r.l.	Luxembourg		100.0		
113	DB Delaware Holdings (Europe) Limited	George Town		100.0		
114	DB Direkt GmbH	Frankfurt	2	100.0		
115	DB Energy Commodities Limited (in members' voluntary liquidation)	London		100.0		
116	DB Enfield Infrastructure Holdings Limited	St. Helier		100.0	34.2	0.9
117	DB Equity Limited	London	1	100.0	28.1	0.0
118	DB Finance International GmbH	Eschborn		100.0		
119	DB Global Technology SRL	Bucharest		100.0	20.9	4.8
120	DB Group Services (UK) Limited	London		100.0		
121	DB HR Solutions GmbH	Eschborn		100.0	4.5	2.4
122	DB Immobilienfonds 2 GmbH & Co. KG i.L.	Frankfurt		74.0		
123	DB Impact Investment (GP) Limited	London		100.0		
124	DB Impact Investment Fund I, L.P.	Edinburgh		100.0		
125	DB Industrial Holdings Beteiligungs GmbH & Co. KG	Luetzen		100.0	1,649.5	5.9
126	DB Industrial Holdings GmbH	Luetzen		100.0	1,572.4	119.1
127	DB Infrastructure Holdings (UK) No.1 Limited (in members' voluntary liquidation)	London	1	100.0	13.4	0.0
128	DB Infrastructure Holdings (UK) No.3 Limited (in members' voluntary liquidation)	London		100.0		
129	DB International (Asia) Limited	Singapore		100.0	399.0	(17.9)
130	DB International Investments Limited	London		100.0		
131	DB International Trust (Singapore) Limited	Singapore		100.0		
132	DB Investment Services GmbH	Frankfurt	2	100.0	46.0	0.0
133	DB London (Investor Services) Nominees Limited	London		100.0		
134	DB Management Support GmbH	Frankfurt		100.0		

Serial No.	Name of company	Domicile of company	Footnote	Share of Capital in %	Own funds in € million	Result in € million
135	DB Municipal Holdings LLC	Wilmington		100.0		
136	DB Nexus American Investments (UK) Limited	London		100.0		
137	DB Nexus Iberian Investments (UK) Limited (in members' voluntary liquidation)	London		100.0		
138	DB Nexus Investments (UK) Limited	London	1	100.0	0.8	(8.2)
139	DB Nominees (Hong Kong) Limited	Hong Kong		100.0		
140	DB Nominees (Singapore) Pte Ltd	Singapore		100.0		
141	DB Operaciones y Servicios Interactivos Agrupación de Interés Económico	Barcelona		99.9		
142	DB Overseas Holdings Limited	London	1	100.0	38.7	1.2
143	DB Petri LLC	Wilmington		100.0		
144	DB Placement, LLC	Wilmington		100.0		
145	DB Print GmbH	Frankfurt	2	100.0		
146	DB Private Equity GmbH	Cologne		100.0	22.8	1.7
147	DB Private Equity International S.à r.l.	Luxembourg		100.0		
148	DB Private Equity Treuhand GmbH	Cologne		100.0		
149	DB RC Investments II, LLC	Wilmington		99.9		
150	DB Re S.A.	Luxembourg		100.0		
151	DB Real Estate Canadainvest 1 Inc.	Toronto		100.0		
152	DB Real Estate Global Opportunities IB (Offshore), L.P.	Camana Bay		34.3		
153	DB Safe Harbour Investment Projects Limited	London		100.0		
154	DB Securities S.A.	Warsaw		100.0		
155	DB Service Centre Limited	Dublin	1	100.0	12.9	2.7
156	DB Service Uruguay S.A.	Montevideo		100.0		
157	DB Servizi Amministrativi S.r.l.	Milan		100.0		
158	DB STG Lux 10 S.à r.l.	Luxembourg		100.0		
159	DB STG Lux 11 S.à r.l.	Luxembourg		100.0		
160	DB STG Lux 12 S.à r.l.	Luxembourg		100.0		
161	DB STG Lux 9 S.à r.l.	Luxembourg		100.0		
162	DB Strategic Advisors, Inc.	Makati City		100.0		
163	DB Structured Finance 1 Designated Activity Company	Dublin		100.0		
164	DB Structured Finance 2 Designated Activity Company	Dublin		100.0		
165	DB Trustee Services Limited	London		100.0		
166	DB Trustees (Hong Kong) Limited	Hong Kong		100.0		
167	DB UK Australia Finance Limited (in voluntary liquidation)	George Town		100.0		
168	DB UK Australia Holdings Limited (in members' voluntary liquidation)	London		100.0		
169	DB UK Bank Limited	London	1	100.0	662.9	(10.5)
170	DB UK Holdings Limited	London	1	100.0	617.2	364.8
171	DB UK PCAM Holdings Limited	London		100.0	10.3	(117.3)
172	DB USA Corporation (Sub-group)	Wilmington	3	100.0	10,079.6	(905.8)
173	-ABFS I Incorporated	Baltimore		100.0		
174	-ABS MB Ltd.	Baltimore		100.0		
175	-Alex. Brown Financial Services Incorporated	Baltimore		100.0		
176	-Alex. Brown Investments Incorporated	Baltimore		100.0		
177	-Argent Incorporated	Baltimore		100.0		
178	-Azurix Argentina Holding, Inc.	Wilmington		100.0		
179	-Azurix Cono Sur, Inc.	Wilmington		100.0		
180	-Azurix Corp.	Wilmington		100.0		
181	-Azurix Latin America, Inc.	Wilmington		100.0		
182	-B.T.I. Investments (in members' voluntary liquidation)	London		100.0		
183	-Barkly Investments Ltd.	St. Helier		100.0		
184	-Blue Cork, Inc.	Wilmington		100.0		
185	-BT Milford (Cayman) Limited (in voluntary liquidation)	George Town		100.0		
186	-BTAS Cayman GP	George Town		100.0		
187	-Charlton (Delaware), Inc.	Wilmington		100.0		
188	-China Recovery Fund, LLC	Wilmington		85.0		
189	-Cyrus J. Lawrence Capital Holdings, Inc.	Wilmington		100.0		
190	-D.B. International Delaware, Inc.	Wilmington		100.0		
191	-DB (Pacific) Limited	Wilmington		100.0		
192	-DB (Pacific) Limited, New York	New York		100.0		
193	-DB Abalone LLC	Wilmington		100.0		
194	-DB Alex. Brown Holdings Incorporated	Wilmington		100.0		
195	-DB Alps Corporation	Wilmington		100.0		
196	-DB Alternative Trading Inc.	Wilmington		100.0		
197	-DB Asia Pacific Holdings Limited	George Town		100.0		
198	-DB Aster II, LLC	Wilmington		100.0		
199	-DB Aster III, LLC	Wilmington		100.0		
200	-DB Aster, Inc.	Wilmington		100.0		
201	-DB Aster, LLC	Wilmington		100.0		
202	-DB Boracay LLC	Wilmington		100.0		

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
203	-DB Capital Partners, Inc.	Wilmington		100.0		
204	-DB Commodity Services LLC	Wilmington		100.0		
205	-DB Delaware Holdings (UK) Limited (in members' voluntary liquidation)	London		100.0		
206	-DB Elara LLC	Wilmington		100.0		
207	-DB Energy Trading LLC	Wilmington		100.0		
208	-DB Equipment Leasing, Inc.	New York		100.0		
209	-DB Finance (Delaware), LLC	Wilmington		100.0		
210	-DB Fund Services LLC	Wilmington		100.0		
211	-DB Ganymede 2006 L.P.	George Town		100.0		
212	-DB Global Technology, Inc.	Wilmington		100.0		
213	-DB Green Holdings Corp.	Wilmington		100.0		
214	-DB Green, Inc.	New York		100.0		
215	-DB Holdings (New York), Inc.	New York		100.0		
216	-DB Holdings (South America) Limited	Wilmington		100.0		
217	-DB Intermezzo LLC	Wilmington		100.0		
218	-DB Investment Managers, Inc.	Wilmington		100.0		
219	-DB Investment Partners, Inc.	Wilmington		100.0		
220	-DB Investment Resources (US) Corporation	Wilmington		100.0		
221	-DB Investment Resources Holdings Corp.	Wilmington		100.0		
222	-DB Io LP	Wilmington		100.0		
223	-DB IROC Leasing Corp.	New York		100.0		
224	-DB Litigation Fee LLC	Wilmington		100.0		
225	-DB Managers, LLC	West Trenton		100.0		
226	-DB Mortgage Investment Inc.	Baltimore		100.0		
227	-DB Omega BTV S.C.S.	Luxembourg		100.0		
228	-DB Omega Holdings LLC	Wilmington		100.0		
229	-DB Omega Ltd.	George Town		100.0		
230	-DB Omega S.C.S.	Luxembourg		100.0		
231	-DB Overseas Finance Delaware, Inc.	Wilmington		100.0		
232	-DB Portfolio Southwest, Inc.	Austin		100.0		
233	-DB Private Clients Corp.	Wilmington		100.0		
234	-DB Private Wealth Mortgage Ltd.	New York		100.0		
235	-DB RC Holdings, LLC	Wilmington		100.0		
236	-DB RMS Leasing (Cayman) L.P.	George Town		100.0		
237	-DB Services Americas, Inc.	Wilmington		100.0		
238	-DB Structured Derivative Products, LLC	Wilmington		100.0		
239	-DB Structured Products, Inc.	Wilmington		100.0		
240	-DB U.S. Financial Markets Holding Corporation	Wilmington		100.0		
241	-DB USA Core Corporation	West Trenton		100.0		
242	-DBAB Wall Street, LLC	Wilmington		100.0		
243	-DBAH Capital, LLC	Wilmington		100.0		
244	-DBFIC, Inc.	Wilmington		100.0		
245	-DBNZ Overseas Investments (No.1) Limited	George Town		100.0		
246	-DBRE Global Real Estate Management US IA, L.L.C.	Wilmington		100.0		
247	-DBRE Global Real Estate Management US IB, L.L.C.	Wilmington		100.0		
248	-DBUSBZ1, LLC	Wilmington		100.0		
249	-DBX Advisors LLC	Wilmington		100.0		
250	-DBX Strategic Advisors LLC	Wilmington		100.0		
251	-Deutsche AM Distributors, Inc.	Wilmington		100.0		
252	-Deutsche AM Service Company	Wilmington		100.0		
253	-Deutsche AM Trust Company	Salem		100.0		
254	-Deutsche Asia Pacific Finance, Inc.	Wilmington		100.0		
255	-Deutsche Asset Management US Holding Corporation	Wilmington		100.0		
256	-Deutsche Asset Management USA Corporation	Wilmington		100.0		
257	-Deutsche Bank Americas Holding Corp.	Wilmington		100.0		
258	-Deutsche Bank Holdings, Inc.	Wilmington		100.0		
259	-Deutsche Bank Insurance Agency Incorporated	Baltimore		100.0		
260	-Deutsche Bank Insurance Agency of Delaware	Wilmington		100.0		
261	-Deutsche Bank National Trust Company	Los Angeles		100.0		
262	-Deutsche Bank Securities Inc.	Wilmington		100.0		
263	-Deutsche Bank Trust Company Americas	New York		100.0		
264	-Deutsche Bank Trust Company Delaware	Wilmington		100.0		
265	-Deutsche Bank Trust Company, National Association	New York		100.0		
266	-Deutsche Bank Trust Corporation	New York		100.0		
267	-Deutsche Cayman Ltd.	George Town		100.0		
268	-Deutsche International Corporate Services (Delaware) LLC	Wilmington		100.0		
269	-Deutsche Inversiones Limitada	Santiago		100.0		
270	-Deutsche Investment Management Americas Inc.	Wilmington		100.0		
271	-Deutsche Leasing New York Corp.	New York		100.0		

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
272	-Deutsche Master Funding Corporation	Wilmington		100.0		
273	-Deutsche Mortgage & Asset Receiving Corporation	Wilmington		100.0		
274	-Deutsche Securities SpA	Santiago		100.0		
275	-DFC Residual Corp.	Carson City		100.0		
276	-Dusk LLC	Wilmington		100.0		
277	-ECT Holdings Corp.	Wilmington		100.0		
278	-G Finance Holding Corp.	Wilmington		100.0		
279	-G.O. IB-US Management, L.L.C.	Wilmington		100.0		
280	-GAC-HEL, Inc.	Wilmington		100.0		
281	-Gemini Technology Services Inc.	Wilmington		100.0		
282	-German American Capital Corporation	Baltimore		100.0		
283	-GWC-GAC Corp.	Wilmington		100.0		
284	-Hac Investments Ltd.	Wilmington		100.0		
285	-Kelsey Street LLC	Wilmington		100.0		
286	-Kingfisher Holdings LLC	Wilmington		100.0		
287	-87 Leonard Development LLC	Wilmington		100.0		
288	-Manta Acquisition LLC	Wilmington		100.0		
289	-Manta Group LLC	Wilmington		100.0		
290	-MHL Reinsurance Ltd.	Burlington		100.0		
291	-MIT Holdings, Inc.	Baltimore		100.0		
292	-MortgageIT Securities Corp.	Wilmington		100.0		
293	-MortgageIT, Inc.	New York		100.0		
294	-New 87 Leonard, LLC	Wilmington		100.0		
295	-North American Income Fund Public Limited Company	Dublin		66.8		
296	-North Las Vegas Property LLC	Wilmington		100.0		
297	-PARTS Funding, LLC	Wilmington		100.0		
298	-PARTS Student Loan Trust 2007 - CT1	Wilmington		100.0		
299	-Pelleport Investors, Inc.	New York		100.0		
300	-Port Elizabeth Holdings LLC	Wilmington		100.0		
301	-Quantum 13 LLC	Wilmington		100.0		
302	-REO Properties Corporation	Wilmington		100.0		
303	-RoPro U.S. Holding, Inc.	Wilmington		100.0		
304	-RREEF America L.L.C.	Wilmington		100.0		
305	-RREEF Management L.L.C.	Wilmington		100.0		
306	-RREEF North American Infrastructure Fund B, L.P.	Wilmington		99.9		
307	-Sagamore Limited (in members' voluntary liquidation)	London		100.0		
308	-Sharps SP I LLC	Wilmington		100.0		
309	-Singer Island Tower Suite LLC	Wilmington		100.0		
310	-Structured Finance Americas, LLC	Wilmington		100.0		
311	-World Trading (Delaware) Inc.	Wilmington		100.0		
312	-Zumirez Drive LLC	Wilmington		100.0		
313	DB Valoren S.à r.l.	Luxembourg		100.0	844.4	384.6
314	DB Value S.à r.l.	Luxembourg		100.0	44.3	(13.1)
315	DB Vanquish (UK) Limited (in members' voluntary liquidation)	London		100.0		
316	DB Vantage (UK) Limited (in members' voluntary liquidation)	London		100.0		
317	DB Vantage No.2 (UK) Limited (in members' voluntary liquidation)	London		100.0		
318	DB Vita S.A.	Luxembourg		75.0	23.4	1.7
319	DBCIBZ1	George Town		100.0	9.4	3.9
320	DBCIBZ2	George Town		100.0	9.5	3.9
321	DBG Eastern Europe II Limited Partnership	St. Helier		25.9	22.7	14.5
322	DBOI Global Services (UK) Limited	London	1	100.0	12.2	5.8
323	DBOI Global Services Private Limited	Mumbai		100.0	105.9	23.5
324	DBR Investments Co. Limited	George Town		100.0	33.3	28.7
325	DBRE Global Real Estate Management IA, Ltd.	George Town		100.0	11.1	0.0
326	DBRE Global Real Estate Management IB, Ltd.	George Town		100.0		
327	DBRMS4	George Town		100.0	305.5	5.2
328	DBRMSGP1	George Town	4, 5	100.0	194.7	3.3
329	DBRMSGP2	George Town	4, 5	100.0	110.7	1.9
330	DBUK PCAM Limited	London		100.0	(100.2)	(0.3)
331	DBUSBZ2, S.à r.l.	Luxembourg		100.0	9.6	3.9
332	De Meng Innovative (Beijing) Consulting Company Limited	Beijing		100.0		
333	DeAM Infrastructure Limited	London		100.0		
334	DEBEKO Immobilien GmbH & Co Grundbesitz OHG	Eschborn	4	100.0	147.2	(11.1)
335	DEE Deutsche Erneuerbare Energien GmbH	Duesseldorf		100.0	24.1	5.4
336	Delowrezham de México S. de R.L. de C.V.	Mexico City		100.0		
337	DEUFRAN Beteiligungs GmbH	Frankfurt		100.0	122.6	0.2
338	DEUKONA Versicherungs-Vermittlungs-GmbH	Frankfurt		100.0	3.7	2.9
339	Deutsche (Aotearoa) Capital Holdings New Zealand	Auckland		100.0		
340	Deutsche (Aotearoa) Foreign Investments New Zealand	Auckland		100.0		

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
341	Deutsche Aeolia Power Production Société Anonyme	Paiania		80.0		
342	Deutsche Alt-A Securities, Inc.	Wilmington		100.0		
343	Deutsche Alternative Asset Management (France) SAS	Paris		100.0		
344	Deutsche Alternative Asset Management (Global) Limited	London		100.0	240.5	87.3
345	Deutsche Alternative Asset Management (UK) Limited	London		100.0	97.6	28.4
346	Deutsche AM Management GmbH	Frankfurt		100.0		
347	Deutsche Asia Pacific Holdings Pte Ltd	Singapore		100.0	540.1	314.8
348	Deutsche Asset Management (Asia) Limited	Singapore		100.0	250.9	33.0
349	Deutsche Asset Management (Hong Kong) Limited	Hong Kong		100.0	13.9	(8.8)
350	Deutsche Asset Management (India) Private Limited	Mumbai		100.0	12.2	0.2
351	Deutsche Asset Management (Japan) Limited	Tokyo		100.0	51.1	9.9
352	Deutsche Asset Management (Korea) Company Limited	Seoul	1	100.0	13.8	1.6
353	Deutsche Asset Management (UK) Limited	London		100.0	186.1	(22.4)
354	Deutsche Asset Management Group Limited	London		100.0	44.4	173.8
355	Deutsche Asset Management Holding SE	Frankfurt		100.0	6,501.2	23.3
356	Deutsche Asset Management International GmbH	Frankfurt	2	100.0	44.5	0.0
357	Deutsche Asset Management Investment GmbH	Frankfurt	2	100.0	193.6	0.0
358	Deutsche Asset Management S.A.	Luxembourg		100.0	541.0	255.3
359	Deutsche Asset Management S.G.I.I.C., S.A.	Madrid		100.0		
360	Deutsche Asset Management Schweiz AG	Zurich	6	100.0		
361	Deutsche Asset Management Shanghai Investment Company Limited	Shanghai		100.0		
362	Deutsche Australia Limited (Sub-group)	Sydney	1, 3	100.0	253.2	44.5
363	-Baincor Nominees Pty Limited	Sydney		100.0		
364	-Bainpro Nominees Pty Ltd	Sydney		100.0		
365	-Belzen Pty. Limited	Sydney		100.0		
366	-BNA Nominees Pty Limited	Sydney		100.0		
367	-BTD Nominees Pty Limited	Sydney		100.0		
368	-Buxtal Pty. Limited	Sydney		100.0		
369	-Deutsche Access Investments Limited	Sydney		100.0		
370	-Deutsche Capital Markets Australia Limited	Sydney		100.0		
371	-Deutsche Finance Co 1 Pty Limited	Sydney		100.0		
372	-Deutsche Finance Co 2 Pty Limited	Sydney		100.0		
373	-Deutsche Finance Co 3 Pty Limited	Sydney		100.0		
374	-Deutsche Finance Co 4 Pty Limited	Sydney		100.0		
375	-Deutsche Group Services Pty Limited	Sydney		100.0		
376	-Deutsche Investments Australia Limited	Sydney		100.0		
377	-Deutsche Securities Australia Limited	Sydney		100.0		
378	-Deutsche Securitisation Australia Pty Limited	Sydney		100.0		
379	-DNU Nominees Pty Limited	Sydney		100.0		
380	-DTS Nominees Pty Limited	Sydney		100.0		
381	-Memax Pty. Limited	Sydney		100.0		
382	-Nortfol Pty. Limited	Sydney		100.0		
383	-OPS Nominees Pty Limited	Sydney		100.0		
384	-Pan Australian Nominees Pty Ltd	Sydney		100.0		
385	-R.B.M. Nominees Pty Ltd	Sydney		100.0		
386	-RTS Nominees Pty Limited	Sydney		100.0		
387	-Zenwix Pty. Limited	Sydney		100.0		
388	Deutsche Bank (Cayman) Limited	George Town		100.0	53.0	9.4
389	Deutsche Bank (Chile)	Santiago		100.0	20.3	0.7
390	Deutsche Bank (China) Co., Ltd.	Beijing		100.0	1,098.0	39.2
391	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur		100.0	374.2	43.3
392	Deutsche Bank (Mauritius) Limited	Port Louis		100.0	36.7	5.0
393	Deutsche Bank (Suisse) SA	Geneva		100.0	612.7	18.4
394	Deutsche Bank (Uruguay) Sociedad Anónima Institución Financiera Externa	Montevideo		100.0		
395	DEUTSCHE BANK A.S.	Istanbul		100.0	111.8	12.3
396	Deutsche Bank Bauspar-Aktiengesellschaft	Frankfurt		100.0	507.7	56.7
397	Deutsche Bank Capital Finance LLC I	Wilmington		100.0	300.0	0.0
398	Deutsche Bank Capital LLC I	Wilmington		100.0		
399	Deutsche Bank Contingent Capital LLC II	Wilmington		100.0	666.1	0.0
400	Deutsche Bank Contingent Capital LLC III	Wilmington		100.0	1,644.5	0.0
401	Deutsche Bank Contingent Capital LLC IV	Wilmington		100.0	999.9	0.0
402	Deutsche Bank Contingent Capital LLC V	Wilmington		100.0	1,153.2	0.0
403	Deutsche Bank Europe GmbH	Frankfurt	2	100.0	10.0	0.0
404	Deutsche Bank Financial Company	George Town		100.0	47.5	(2.1)
405	Deutsche Bank International Limited	St. Helier		100.0	162.6	(4.8)
406	Deutsche Bank International Trust Co. (Cayman) Limited	George Town		100.0		
407	Deutsche Bank International Trust Co. Limited	St. Peter Port		100.0		
408	Deutsche Bank Investments (Guernsey) Limited	St. Peter Port		100.0	3.3	2.6
409	Deutsche Bank Luxembourg S.A.	Luxembourg		100.0	6,400.3	218.2

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
410	Deutsche Bank Mutui S.p.A.	Milan		100.0	32.1	(9.0)
411	Deutsche Bank México, S.A., Institución de Banca Múltiple	Mexico City		100.0	89.9	1.5
412	Deutsche Bank Nominees (Jersey) Limited	St. Helier		100.0		
413	Deutsche Bank Polska Spólka Akcyjna	Warsaw		100.0	1,009.6	8.3
414	Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft	Frankfurt	2	100.0	2,666.3	0.0
415	Deutsche Bank Representative Office Nigeria Limited	Lagos		100.0		
416	Deutsche Bank S.A. - Banco Alemão	Sao Paulo		100.0	402.6	15.5
417	Deutsche Bank Securities Limited	Toronto		100.0	92.7	0.1
418	Deutsche Bank Services (Jersey) Limited	St. Helier		100.0		
419	Deutsche Bank Società per Azioni	Milan		99.9	1,611.5	9.9
420	Deutsche Bank Trustee Services (Guernsey) Limited	St. Peter Port		100.0		
421	Deutsche Bank Österreich AG	Vienna		100.0	16.8	(12.8)
422	Deutsche Bank, Sociedad Anónima Española	Madrid		99.8	1,184.0	10.1
423	Deutsche Capital Finance (2000) Limited	George Town		100.0		
424	Deutsche Capital Hong Kong Limited	Hong Kong		100.0	13.9	0.5
425	Deutsche Capital Management Limited	Dublin		100.0		
426	Deutsche Capital Partners China Limited	George Town		100.0		
427	Deutsche CIB Centre Private Limited	Mumbai		100.0	61.9	10.2
428	Deutsche Colombia S.A.S.	Bogotá		100.0		
429	Deutsche Custody N.V.	Amsterdam		100.0		
430	Deutsche Emerging Markets Investments (Netherlands) B.V.	Amsterdam		99.9		
431	Deutsche Equities India Private Limited	Mumbai		100.0	50.1	13.8
432	Deutsche Far Eastern Asset Management Company Limited	Taipei		60.0		
433	Deutsche Fiduciary Services (Suisse) SA	Geneva		100.0		
434	Deutsche Finance No. 2 (UK) Limited (in members' voluntary liquidation)	London		100.0		
435	Deutsche Finance No. 2 Limited	George Town		100.0		
436	Deutsche Futures Singapore Pte Ltd	Singapore		100.0		
437	Deutsche Gesellschaft für Immobilien-Leasing mit beschränkter Haftung	Duesseldorf		100.0		
438	Deutsche Global Markets Limited	Tel Aviv		100.0	80.0	1.1
439	Deutsche Group Holdings (SA) Proprietary Limited	Johannesburg		100.0	70.9	36.6
440	Deutsche Grundbesitz Beteiligungsgesellschaft mbH	Eschborn		100.0		
441	Deutsche Grundbesitz-Anlagegesellschaft mit beschränkter Haftung	Frankfurt	2	99.8		
442	Deutsche Gulf Finance	Riyadh	7	29.1	139.1	7.5
443	Deutsche Holdings (BTI) Limited	London		100.0		
444	Deutsche Holdings (Luxembourg) S.à r.l.	Luxembourg		100.0	2,799.0	130.8
445	Deutsche Holdings (Malta) Ltd.	Valletta		100.0	793.0	132.5
446	Deutsche Holdings (SA) (Proprietary) Limited	Johannesburg		100.0		
447	Deutsche Holdings Limited	London	1	100.0	1,523.3	6.2
448	Deutsche Holdings No. 2 Limited	London	1	100.0	167.5	0.0
449	Deutsche Holdings No. 3 Limited	London	1	100.0	209.9	203.3
450	Deutsche Holdings No. 4 Limited	London		100.0	143.3	0.2
451	Deutsche Immobilien Leasing GmbH	Duesseldorf	2	100.0	26.5	0.0
452	Deutsche India Holdings Private Limited	Mumbai		100.0	73.6	2.7
453	Deutsche International Corporate Services (Ireland) Limited	Dublin		100.0	19.0	(0.2)
454	Deutsche International Corporate Services Limited	St. Helier		100.0		
455	Deutsche International Custodial Services Limited	St. Helier		100.0		
456	Deutsche International Finance (Ireland) Limited	Dublin		100.0		
457	Deutsche International Trust Company N.V.	Amsterdam		100.0	15.7	(0.3)
458	Deutsche International Trust Corporation (Mauritius) Limited	Port Louis		100.0		
459	Deutsche Inversiones Dos S.A. (en Liquidación)	Santiago		100.0	22.3	6.5
460	Deutsche Investments (Netherlands) N.V.	Amsterdam		100.0		
461	Deutsche Investments India Private Limited	Mumbai		100.0	129.2	6.6
462	Deutsche Investor Services Private Limited	Mumbai		100.0		
463	Deutsche Knowledge Services Pte. Ltd.	Singapore		100.0	48.5	5.6
464	Deutsche Malta Company Ltd	Valletta		100.0	28.2	(0.7)
465	Deutsche Mandatos S.A.	Buenos Aires		100.0		
466	Deutsche Mexico Holdings S.à r.l.	Luxembourg		100.0	258.6	107.9
467	Deutsche Morgan Grenfell Group Public Limited Company	London	1	100.0	939.6	(17.9)
468	Deutsche Mortgage Securities, Inc.	Wilmington		100.0		
469	Deutsche Nederland N.V.	Amsterdam		100.0		
470	Deutsche New Zealand Limited (Sub-group)	Auckland	3	100.0	21.1	5.4
471	-Deutsche (New Munster) Holdings New Zealand Limited	Auckland		100.0		
472	-Deutsche Domus New Zealand Limited	Auckland		100.0		
473	-Deutsche Foras New Zealand Limited	Auckland		100.0		
474	-Deutsche Overseas Issuance New Zealand Limited	Auckland		100.0		
475	-Deutsche Securities New Zealand Limited	Auckland		100.0		
476	-Kingfisher Nominees Limited	Auckland		100.0		
477	-LWC Nominees Limited	Auckland		100.0		
478	Deutsche Nominees Limited	London		100.0		

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
479	Deutsche Oppenheim Family Office AG	Grasbrunn	2	100.0		
480	Deutsche Postbank AG (Sub-group)	Bonn	1, 3, 7	100.0	7,226.0	317.0
481	-Betriebs-Center für Banken AG	Frankfurt		100.0		
482	-BHW - Gesellschaft für Wohnungswirtschaft mbH	Hameln	2	100.0		
483	-BHW Bausparkasse Aktiengesellschaft	Hameln		100.0		
484	-BHW Holding AG	Hameln	2	100.0		
485	-BHW Kreditservice GmbH	Hameln		100.0		
486	-Deutsche Postbank Finance Center Objekt GmbH	Schuettringen		100.0		
487	-Deutsche Postbank Funding LLC I	Wilmington		100.0		
488	-Deutsche Postbank Funding LLC II	Wilmington		100.0		
489	-Deutsche Postbank Funding LLC III	Wilmington		100.0		
490	-DSL Portfolio GmbH & Co. KG	Bonn		100.0		
491	-DSL Portfolio Verwaltungs GmbH	Bonn		100.0		
492	-PB Factoring GmbH	Bonn	2	100.0		
493	-PB Firmenkunden AG	Bonn	2	100.0		
494	-PB International S.A.	Schuettringen		100.0		
495	-PB Spezial-Investmentaktiengesellschaft mit Teilgesellschaftsvermögen	Bonn		98.2		
496	-Postbank Beteiligungen GmbH	Bonn	2	100.0		
497	-Postbank Direkt GmbH	Bonn		100.0		
498	-Postbank Filialvertrieb AG	Bonn	2	100.0		
499	-Postbank Finanzberatung AG	Hameln		100.0		
500	-Postbank Immobilien GmbH	Hameln	2	100.0		
501	-Postbank Immobilien und Baumanagement GmbH	Bonn	2	100.0		
502	-Postbank Immobilien und Baumanagement GmbH & Co. Objekt Leipzig KG	Bonn		90.0		
503	-Postbank Leasing GmbH	Bonn	2	100.0		
504	-Postbank Service GmbH	Essen		100.0		
505	-Postbank Systems AG	Bonn	2	100.0		
506	-VÖB-ZVD Processing GmbH	Frankfurt		100.0		
507	Deutsche Private Asset Management Limited	London		100.0		
508	Deutsche Regis Partners, Inc.	Makati City		49.0	13.3	5.3
509	Deutsche River Investment Management Company S.à r.l., en faillite	Luxembourg		49.0		
510	Deutsche Securities (India) Private Limited	New Delhi		100.0	11.2	0.4
511	Deutsche Securities (Proprietary) Limited	Johannesburg		100.0	34.9	9.5
512	Deutsche Securities (SA) (Proprietary) Limited	Johannesburg		100.0	3.7	3.6
513	Deutsche Securities Asia Limited	Hong Kong		100.0	215.0	13.0
514	Deutsche Securities Inc.	Tokyo		100.0	1,240.9	140.3
515	Deutsche Securities Israel Ltd.	Tel Aviv		100.0	10.8	0.0
516	Deutsche Securities Korea Co.	Seoul		100.0	172.1	1.9
517	Deutsche Securities Mauritius Limited	Port Louis		100.0		
518	Deutsche Securities Menkul Degerler A.S.	Istanbul		100.0		
519	Deutsche Securities S.A.	Buenos Aires		100.0		
520	Deutsche Securities Saudi Arabia LLC	Riyadh		100.0	101.0	(7.4)
521	Deutsche Securities Venezuela S.A.	Caracas		100.0	(17.2)	(15.5)
522	Deutsche Securities, S.A. de C.V., Casa de Bolsa	Mexico City		100.0	30.4	(4.3)
523	Deutsche Services Polska Sp. z o.o.	Warsaw		100.0		
524	Deutsche StiftungsTrust GmbH	Frankfurt	2	100.0		
525	Deutsche Strategic	Luxembourg		100.0		
526	Deutsche Strategic Investment Holdings Yugen Kaisha	Tokyo		100.0		
527	Deutsche TISCO Investment Advisory Company Limited	Bangkok		49.0		
528	Deutsche Transnational Trustee Corporation Inc	Charlottetown		100.0		
529	Deutsche Trust Company Limited Japan	Tokyo		100.0		
530	Deutsche Trustee Company Limited	London		100.0	26.2	4.4
531	Deutsche Trustee Services (India) Private Limited	Mumbai		100.0		
532	Deutsche Trustees Malaysia Berhad	Kuala Lumpur		100.0		
533	Deutsche Zurich Pensiones Entidad Gestora de Fondos de Pensiones, S.A.	Barcelona		50.0		
534	Deutscher Pensionsfonds Aktiengesellschaft	Bonn		25.1		
535	Deutsches Institut für Altersvorsorge GmbH	Frankfurt		78.0		
536	DG China Clean Tech Partners	Tianjin		49.9		
537	DI Deutsche Immobilien Treuhandgesellschaft mbH	Frankfurt	2	100.0		
538	DIB-Consult Deutsche Immobilien- und Beteiligungs-Beratungsgesellschaft mbH i.L.	Duesseldorf		100.0		
539	DIL Financial Services GmbH & Co. KG	Duesseldorf		100.0		
540	DIL Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		100.0		
541	DIL Internationale Leasinggesellschaft mbH	Duesseldorf		50.0		
542	DISCA Beteiligungsgesellschaft mbH	Duesseldorf	2	100.0		
543	Domus Beteiligungsgesellschaft der Privaten Bausparkassen mbH	Berlin		21.1		
544	DONARUM Holding GmbH	Duesseldorf		50.0		
545	DREIUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
546	DREIZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		

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547	DRITTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
548	DRITTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
549	Durian (Luxembourg) S.à r.l.	Luxembourg		100.0		
550	DWS Holding & Service GmbH	Frankfurt	2	99.2	336.4	0.0
551	EC EUROPA IMMOBILIEN FONDS NR. 3 GmbH & CO. KG i.I.	Hamburg		65.2		
552	EINUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
553	Elba Finance GmbH	Eschborn		100.0		
554	Elbe Properties S.à r.l.	Luxembourg		25.0		
555	ELC Logistik-Centrum Verwaltungs-GmbH	Erfurt		50.0		
556	ELFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
557	Elizabethan Holdings Limited	George Town		100.0		
558	Elizabethan Management Limited	George Town		100.0		
559	Elmo Funding GmbH	Eschborn	2	100.0	10.3	0.0
560	Elmo Leasing Vierzehnte GmbH	Eschborn	2	100.0		
561	Emerald Asset Repackaging Designated Activity Company	Dublin		100.0		
562	eolec	Issy-les-Moulineaux		33.3		
563	equiNotes Management GmbH	Duesseldorf		50.0		
564	Erste Frankfurter Hoist GmbH	Eschborn		100.0		
565	European Value Added I (Alternate G.P.) LLP	London		100.0		
566	EVROENERGIAKI S.A.	Athens		40.0		
567	Exinor SA (dissolution volontaire)	Bastogne		100.0		
568	EXTOREL Private Equity Advisers GmbH i.L.	Cologne		100.0		
569	FARAMIR Beteiligungs- und Verwaltungs GmbH	Cologne		100.0		
570	Fenix Administración de Activos S. de R.L. de C.V.	Mexico City		100.0		
571	Fiduciaria Sant' Andrea S.r.L.	Milan		100.0		
572	Finanza & Futuro Banca Società per Azioni	Milan		100.0	28.4	0.7
573	FRANKFURT CONSULT GmbH	Frankfurt	2	100.0		
574	Franz Urbig- und Oscar Schlitter-Stiftung Gesellschaft mit beschränkter Haftung	Frankfurt		100.0		
575	FÜNFTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
576	FÜNFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
577	Fünfte SAB Treuhand und Verwaltung GmbH & Co. "Leipzig-Magdeburg" KG	Bad Homburg		41.2		
578	Fünfte SAB Treuhand und Verwaltung GmbH & Co. Dresden "Louisenstraße" KG	Bad Homburg		30.6		
579	Fünfte SAB Treuhand und Verwaltung GmbH & Co. Suhl "Rimbachzentrum" KG	Bad Homburg		74.9		
580	FÜNFUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH i.L.	Duesseldorf		50.0		
581	FÜNFZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
582	German Public Sector Finance B.V.	Amsterdam		50.0		
583	Gesellschaft für Kreditsicherung mit beschränkter Haftung	Berlin		36.7		
584	giropay GmbH	Frankfurt		33.3		
585	Glor Music Production GmbH & Co. KG	Valley-Oberlaindern		21.2		
586	Gordian Knot Limited	London		24.7	1.7	(7.5)
587	Great Future International Limited	Road Town		43.0		
588	Grundstücksgesellschaft Frankfurt Bockenheimer Landstraße GbR	Troisdorf		94.9		
589	Grundstücksgesellschaft Köln-Ossendorf VI GbR	Troisdorf		44.9		
590	Grundstücksgesellschaft Köln-Ossendorf VI mbH	Cologne		100.0		
591	Grundstücksgesellschaft Leipzig Petersstraße GbR	Troisdorf	1	36.1	81.5	(12.4)
592	Grundstücksgesellschaft Wiesbaden Luisenstraße/Kirchgasse GbR	Troisdorf		64.7	17.0	(11.9)
593	Grundstücksvermietungsgesellschaft Wilhelmstr. mbH i.L.	Gruenwald		100.0		
594	Harvest Fund Management Co., Ltd.	Shanghai	7	30.0	567.1	120.5
595	Herengracht Financial Services B.V.	Amsterdam		100.0		
596	HR "Simone" GmbH & Co. KG	Jork		21.8		
597	HTB Spezial GmbH & Co. KG	Cologne		100.0		
598	Huarong Rongde Asset Management Company Limited	Beijing		40.7	1,240.1	158.7
599	ILV Immobilien-Leasing Verwaltungsgesellschaft Düsseldorf mbH	Duesseldorf		50.0		
600	Immobilien-Vermietungsgesellschaft Schumacher GmbH & Co. Objekt Rolandufer KG	Berlin		20.5		
601	Immobilienfonds Büro-Center Erfurt am Flughafen Bindersleben II GbR	Troisdorf		50.0		
602	Inn Properties S.à r.l., en faillite	Luxembourg		25.0		
603	Intermodal Finance I Ltd.	George Town		49.0		
604	IOG Denali Upton, LLC	Dover		23.0		
605	IOG NOD I, LLC	Dover		22.5		
606	IOS Finance E F C S.A.	Barcelona		100.0	47.5	4.3
607	Isaac Newton S.A.	Luxembourg		95.0	0.2	7.9
608	Isar Properties S.à r.l., en faillite	Luxembourg		25.0		
609	ISTRON Beteiligungs- und Verwaltungs-GmbH	Cologne		100.0		
610	IVAF I Manager, S.à r.l.	Luxembourg		100.0		
611	IZI Düsseldorf Informations-Zentrum Immobilien Gesellschaft mit beschränkter Haftung	Duesseldorf		21.1		
612	IZI Düsseldorf Informations-Zentrum Immobilien GmbH & Co. Kommanditgesell-schaft	Duesseldorf		25.0		

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613	J R Nominees (Pty) Ltd	Johannesburg		100.0		
614	Jyogashima Godo Kaisha	Tokyo		100.0		
615	KEBA Gesellschaft für interne Services mbH	Frankfurt	2	100.0		
616	Kidson Pte Ltd	Singapore		100.0	31.1	0.0
617	Kinneil Leasing Company	London		35.0		
618	KOMPASS 3 Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
619	KOMPASS 3 Erste Beteiligungsgesellschaft mbH & Co. Euro KG i.L.	Duesseldorf		96.1		
620	KOMPASS 3 Zweite Beteiligungsgesellschaft mbH & Co. USD KG i.L.	Duesseldorf		97.0		
621	Konsul Inkasso GmbH	Essen	2	100.0		
622	Kradavimd UK Lease Holdings Limited	London	1	100.0	7.0	(50.4)
623	KVD Singapore Pte. Ltd.	Singapore		30.1		
624	LA Water Holdings Limited	George Town		75.0		
625	LAWL Pte. Ltd.	Singapore		100.0	19.7	(1.4)
626	Leasing Verwaltungsgesellschaft Waltersdorf mbH	Schoenefeld		100.0		
627	Leo Consumo 2 S.r.l.	Conegliano		70.0		
628	Leonardo III Initial GP Limited	London		100.0		
629	Lindsell Finance Limited	St. Julian's		100.0		
630	London Industrial Leasing Limited	London		100.0		
631	M Cap Finance Mittelstandsfonds GmbH & Co. KG	Frankfurt		77.1	80.6	58.8
632	Macondo Spain SL	Madrid		100.0		
633	Maestrale Projects (Holding) S.A.	Luxembourg		49.7		
634	Magalhaes S.A.	Luxembourg		95.0		
635	Maher Terminals Holdings (Toronto) Limited	Vancouver		100.0	266.2	0.7
636	MCT Südafrika 3 GmbH & Co. KG	Hamburg		35.3		
637	MEF I Manager, S. à r.l.	Luxembourg		100.0		
638	Metro plus Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		40.0		
639	MFG Flughafen-Grundstücksverwaltungsgesellschaft mbH & Co. BETA KG i.L.	Gruenwald		29.6		
640	Midsel Limited	London		100.0		
641	Mira GmbH & Co. KG	Frankfurt		100.0		
642	Moon Leasing Limited	London		100.0		
643	Motion Picture Productions One GmbH & Co. KG	Frankfurt		100.0		
644	MPP Beteiligungsgesellschaft mbH	Frankfurt		100.0		
645	MT "CAPE BEALE" Tankschiffahrts GmbH & Co. KG	Hamburg		23.9		
646	MT "KING DANIEL" Tankschiffahrts GmbH & Co. KG	Hamburg		23.4		
647	MT "KING DOUGLAS" Tankschiffahrts GmbH & Co. KG	Hamburg		23.5		
648	MT "KING EDWARD" Tankschiffahrts GmbH & Co. KG	Hamburg		27.1		
649	MT "KING ERIC" Tankschiffahrts GmbH & Co. KG	Hamburg		26.4		
650	Navegator - SGFTC, S.A.	Lisbon		100.0		
651	NBG Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
652	NCW Holding Inc.	Vancouver		100.0		
653	NEPTUNO Verwaltungs- und Treuhand-Gesellschaft mit beschränkter Haftung	Cologne	2	100.0		
654	NEUNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
655	NEUNZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
656	New Energy Biomasse Hellas GmbH i.L.	Duesseldorf		50.0		
657	Nexus Infrastruktur Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
658	Nineco Leasing Limited	London		100.0		
659	NOFA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
660	Nordwestdeutscher Wohnungsbauträger Gesellschaft mit beschränkter Haftung	Frankfurt	2	100.0		
661	norisbank GmbH	Bonn	2	100.0	433.9	0.0
662	North Coast Wind Energy Corp.	Vancouver		96.7		
663	NV Profit Share Limited	George Town		42.9		
664	Oder Properties S.à r.l., en faillite	Luxembourg		25.0		
665	OOO "Deutsche Bank TechCentre"	Moscow		100.0	35.4	33.1
666	OOO "Deutsche Bank"	Moscow		100.0	221.0	33.2
667	Opal Funds (Ireland) Public Limited Company	Dublin		100.0		
668	OPB Verwaltungs- und Beteiligungs-GmbH	Cologne		100.0		
669	OPB Verwaltungs- und Treuhand GmbH	Cologne		100.0		
670	OPB-Holding GmbH	Cologne		100.0	14.3	0.0
671	OPB-Nona GmbH	Frankfurt		100.0		
672	OPB-Oktava GmbH	Cologne		100.0		
673	OPB-Quarta GmbH	Cologne		100.0		
674	OPB-Quinta GmbH	Cologne		100.0		
675	OPB-Septima GmbH	Cologne		100.0		
676	OPPENHEIM Buy Out GmbH & Co. KG i.L.	Cologne		27.7		
677	OPPENHEIM Capital Advisory GmbH	Cologne		100.0		
678	OPPENHEIM Flottenfonds V GmbH & Co. KG	Cologne		100.0		
679	Oppenheim Fonds Trust GmbH	Cologne	2	100.0		
680	OPPENHEIM PRIVATE EQUITY Manager GmbH	Cologne		100.0		
681	OPPENHEIM PRIVATE EQUITY Verwaltungsgesellschaft mbH	Cologne		100.0		

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682	OVT Trust 1 GmbH	Cologne	2	100.0		
683	OVV Beteiligungs GmbH	Cologne		100.0		
684	P.F.A.B. Passage Frankfurter Allee Betriebsgesellschaft mbH	Berlin		22.2		
685	PADEM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
686	PADUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
687	PAGUS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
688	PALDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
689	PANIS Grundstücks-Vermietungsgesellschaft mbH i.I.	Duesseldorf		50.0		
690	PANTUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
691	Parkhaus an der Börse GbR	Cologne		37.7		
692	PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
693	PBC Banking Services GmbH	Frankfurt	2	100.0	120.0	0.0
694	PCC Services GmbH der Deutschen Bank	Essen	2	100.0		
695	PEDIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
696	PEDUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
697	PENDIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
698	PENTUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
699	PERGOS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
700	PERGUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
701	PERILLA Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
702	PERLIT Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
703	PERLU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
704	PERNIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
705	Peruda Leasing Limited	London		100.0		
706	PERXIS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
707	PETA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
708	Philippine Opportunities for Growth and Income (SPV-AMC), INC.	Manila		95.0	14.5	0.2
709	Plantation Bay, Inc.	St. Thomas		100.0		
710	PONTUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
711	Postbank Akademie und Service GmbH	Hameln		100.0		
712	PRADUM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
713	PRASEM Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
714	PRATES Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
715	PRISON Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
716	Private Equity Asia Select Company III S.à r.l.	Luxembourg		100.0		
717	Private Equity Global Select Company IV S.à r.l.	Luxembourg		100.0		
718	Private Equity Global Select Company V S.à r.l.	Luxembourg		100.0		
719	Private Equity Invest Beteiligungs GmbH	Duesseldorf		50.0		
720	Private Equity Life Sciences Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
721	Private Equity Select Company S.à r.l.	Luxembourg		100.0		
722	Private Financing Initiatives, S.L.	Barcelona		55.3	4.1	8.7
723	PT Deutsche Sekuritas Indonesia	Jakarta		99.0	19.5	0.4
724	PT. Deutsche Verdhana Sekuritas Indonesia	Jakarta		40.0		
725	Public joint-stock company "Deutsche Bank DBU"	Kiev		100.0	10.6	1.1
726	PUDU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
727	PUKU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
728	PURIM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
729	QUANTIS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
730	QUELLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
731	QUOTAS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
732	Raymond James New York Housing Opportunities Fund I-A L.L.C.	New York		33.0	15.1	(1.0)
733	Raymond James New York Housing Opportunities Fund I-B L.L.C.	New York		33.3	35.8	(2.9)
734	Raymond James New York Upstate Housing Opportunities Fund I L.L.C.	New York		24.9	(0.3)	(3.7)
735	Reference Capital Investments Limited	London		100.0		
736	Regula Limited	Road Town		100.0		
737	REON - Park Wiatrowy I Sp. z o.o.	Warsaw		50.0		
738	REON-Park Wiatrowy II Sp. z o.o.	Warsaw		50.0		
739	REON-Park Wiatrowy IV Sp. z o.o.	Warsaw		50.0		
740	Rhine Properties S.à r.l., en faillite	Luxembourg		25.0		
741	Riviera Real Estate	Paris		100.0		
742	Royster Fund Management S.à r.l.	Luxembourg		100.0		
743	RREEF China REIT Management Limited	Hong Kong		100.0		
744	RREEF European Value Added I (G.P.) Limited	London		100.0		
745	RREEF Fund Holding Co.	George Town		100.0		
746	RREEF India Advisors Private Limited	Mumbai		100.0		
747	RREEF Investment GmbH	Frankfurt	2	99.9	21.7	0.0
748	RREEF Management GmbH	Frankfurt	2, 8	99.9	52.7	0.0
749	RREEF Spezial Invest GmbH	Frankfurt	2	100.0	16.5	0.0
750	SAB Real Estate Verwaltungs GmbH	Hameln		100.0		

Serial No.	Name of company	Domicile of company	Foot- note	Share of Capital in %	Own funds in € million	Result in € million
751	SABIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
752	SAGITA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
753	Sal. Oppenheim Alternative Investments GmbH	Cologne	2	100.0	33.3	0.0
754	Sal. Oppenheim jr. & Cie. AG & Co. Kommanditgesellschaft auf Aktien	Cologne	2	100.0	1,352.4	0.0
755	Sal. Oppenheim jr. & Cie. Beteiligungs GmbH	Cologne		100.0	39.0	(0.1)
756	Sal. Oppenheim jr. & Cie. Komplementär AG	Cologne	2	100.0		
757	SALIX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
758	SALUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
759	SALUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dresden KG	Duesseldorf		58.5		
760	SANCTOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
761	SANDIX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
762	SANO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
763	SAPIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
764	SARIO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
765	SATINA Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
766	SCANDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
767	SCHEDA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
768	Schumacher Beteiligungsgesellschaft mbH	Cologne		33.2		
769	SCITOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
770	SCITOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heiligenstadt KG	Duesseldorf		71.1		
771	SCUDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
772	SCUDO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kleine Alexanderstraße KG i.L.	Duesseldorf		95.0		
773	SECHSTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
774	SECHSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
775	SECHZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
776	SEDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
777	SEGES Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
778	SEGU Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
779	SELEKTA Grundstücksverwaltungsgesellschaft mbH	Duesseldorf		50.0		
780	SENA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
781	SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Fehrenbach KG i.L.	Duesseldorf		94.7		
782	SENA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Kamenz KG	Duesseldorf		100.0		
783	SERICA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
784	Service Company Four Limited	Hong Kong		100.0		
785	SIDA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
786	SIEBTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
787	SIEBZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
788	SIFA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
789	SILANUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
790	SILEX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
791	SILEX Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Berlin KG i.L.	Duesseldorf		83.8		
792	SILIGO Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
793	SILUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
794	SIMILA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
795	Sixco Leasing Limited	London		100.0		
796	SOLATOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
797	SOLIDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
798	SOLON Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
799	SOLON Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Heizkraftwerk Halle KG i.L.	Halle/Saale		30.5		
800	SOLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
801	SOMA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
802	Somkid Immobiliare S.r.l.	Conegliano		100.0		
803	SOREX Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
804	SOSPITA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
805	SPhinX, Ltd. (in voluntary liquidation)	George Town		43.6		
806	SPINO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
807	SPLENDOR Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
808	SRC Security Research & Consulting GmbH	Bonn		22.5		
809	STABLON Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
810	STAGIRA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
811	Starpool Finanz GmbH	Berlin		49.9		
812	STATOR Heizkraftwerk Frankfurt (Oder) Beteiligungsgesellschaft mbH	Schoenefeld		100.0		
813	SUBLICA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
814	SUBU Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
815	SULPUR Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
816	SUPERA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
817	SUPLION Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
818	SUSA Mobilien-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
819	SUSIK Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
820	Swabia 1. Vermögensbesitz-GmbH	Eschborn		100.0		
821	Süddeutsche Vermögensverwaltung Gesellschaft mit beschränkter Haftung	Frankfurt		100.0		
822	TABA Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
823	TACET Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
824	TAGO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
825	Tagus - Sociedade de Titularização de Creditos, S.A.	Lisbon		100.0	14.2	0.5
826	TAGUS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
827	TAKIR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
828	Tasfiye Halinde Bebek Danismanlik Anonim Sirketi	Istanbul		100.0		
829	TEBOR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
830	Teesside Gas Transportation Limited	London		45.0	(154.1)	17.1
831	TELO Beteiligungsgesellschaft mbH	Schoenefeld		100.0		
832	TEMATIS Grundstücks-Vermietungsgesellschaft mbH i.L.	Duesseldorf		100.0		
833	Tempurrite Leasing Limited	London	1	100.0	1.1	(79.1)
834	TERRUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
835	TESATUR Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
836	TESATUR Beteiligungsgesellschaft mbH & Co. Objekt Halle I KG	Duesseldorf		100.0		
837	TESATUR Beteiligungsgesellschaft mbH & Co. Objekt Nordhausen I KG	Duesseldorf		100.0		
838	Thai Asset Enforcement and Recovery Asset Management Company Limited	Bangkok		100.0		
839	Tianjin Deutsche AM Fund Management Co., Ltd.	Tianjin		100.0		
840	TIEDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
841	TIEDO Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lager Nord KG	Duesseldorf		25.0		
842	TOSSA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
843	TRAGO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
844	Trave Properties S.à r.l., en faillite	Luxembourg		25.0		
845	TREMA Grundstücks-Vermietungsgesellschaft mbH	Berlin		50.0		
846	TRENTO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
847	Treuinvest Service GmbH	Frankfurt		100.0		
848	TRINTO Beteiligungsgesellschaft mbH	Schoenefeld		50.0		
849	TRIPLA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		100.0		
850	Triplereason Limited	London		100.0	330.2	0.2
851	Triton Beteiligungs GmbH	Frankfurt		33.1		
852	Triton Fund III G L.P.	St. Helier		62.5	25.4	9.0
853	TRS Aria LLC	Wilmington		100.0		
854	TRS Birch II LTD	George Town		100.0		
855	TRS Birch LLC	Wilmington		100.0		
856	TRS Cypress II LTD	George Town		100.0		
857	TRS Elm II LTD	George Town		100.0		
858	TRS Leda LLC	Wilmington		100.0		
859	TRS Maple II LTD	George Town		100.0		
860	TRS Oak II LTD	George Town		100.0		
861	TRS Oak LLC	Wilmington		100.0		
862	TRS Poplar II LTD	George Town		100.0		
863	TRS Scorpio LLC	Wilmington		100.0		
864	TRS Spruce II LTD	George Town		100.0		
865	TRS SVCO LLC	Wilmington		100.0		
866	TRS Sycamore II LTD	George Town		100.0		
867	TRS Tupelo II LTD	George Town		100.0		
868	TRS Venor LLC	Wilmington		100.0		
869	TRS Walnut II LTD	George Town		100.0		
870	TRS Walnut LLC	Wilmington		100.0		
871	TUDO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
872	TUGA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
873	TYRAS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
874	U.S.A. Institutional Tax Credit Fund XCV L.P.	Dover		23.5	68.7	(8.3)
875	U.S.A. ITCF XCI L.P.	New York		99.9		
876	UKE, s.r.o.	Belá		100.0		
877	VARIS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
878	VCJ Lease S.à r.l.	Luxembourg		95.0		
879	VCL Lease S.à r.l.	Luxembourg		95.0		
880	VCM Initiatoren III GmbH & Co. KG	Munich		24.9		
881	VCM MIP 2002 GmbH & Co. KG i.L.	Cologne		90.0		
882	VCM MIP II GmbH & Co. KG i.L.	Cologne		90.0		
883	VCM Partners GmbH & Co. KG	Munich		25.0		
884	VCM Treuhand Beteiligungsverwaltung GmbH	Cologne		100.0		
885	VCP Treuhand Beteiligungsgesellschaft mbH	Cologne		100.0		

Serial No.	Name of company	Domicile of company	Foot-note	Share of Capital in %	Own funds in € million	Result in € million
886	VCP Verwaltungsgesellschaft mbH i.L.	Cologne		100.0		
887	Vertriebsgesellschaft mbH der Deutschen Bank Privat- und Geschäftskunden	Berlin		100.0		
888	Vesta Real Estate S.r.l.	Milan		100.0		
889	VIERTE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
890	VIERTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
891	VIERUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
892	VIERZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
893	Volbroker.com Limited	London		22.5		
894	Wealthspur Investment Company Limited	Labuan		100.0		
895	WEPLA Beteiligungsgesellschaft mbH	Frankfurt		100.0	84.5	7.1
896	Weser Properties S.à r.l.	Luxembourg		25.0		
897	Whale Holdings S.à r.l.	Luxembourg		100.0		
898	Wohnungs-Verwaltungsgesellschaft Moers mbH	Duesseldorf		50.0		
899	Wohnungsgesellschaft HEGEMAG GmbH	Darmstadt		50.0		
900	XARUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
901	XELLUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
902	XENTIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
903	XERA Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
904	ZABATUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
905	ZAKATUR Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
906	ZALLUS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
907	ZARAT Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
908	ZARAT Beteiligungsgesellschaft mbH & Co. Leben II KG i.L.	Duesseldorf		98.1		
909	ZARGUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
910	ZEA Beteiligungsgesellschaft mbH	Schoenefeld		25.0		
911	ZEHNTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
912	zeitinvest-Service GmbH	Eschborn		25.0		
913	ZELAS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
914	ZELAS Beteiligungsgesellschaft mbH & Co. Leben I KG i.L.	Duesseldorf		98.2		
915	ZENO Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
916	ZEPTOS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
917	ZEREVIS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
918	ZERGUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
919	Zhong De Securities Co., Ltd	Beijing		33.3	168.0	24.2
920	ZIDES Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
921	ZIMBEL Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
922	ZINDUS Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
923	ZINUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
924	ZIRAS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
925	ZITON Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
926	ZITUS Grundstücks-Vermietungsgesellschaft mbH	Schoenefeld		50.0		
927	ZONTUM Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
928	ZORUS Grundstücks-Vermietungsgesellschaft mbH	Duesseldorf		50.0		
929	ZURET Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
930	ZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
931	ZWEITE Fonds-Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
932	ZWEITE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
933	ZWEIUNDZWANZIGSTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
934	ZWÖLFTE PAXAS Treuhand- und Beteiligungsgesellschaft mbH	Duesseldorf		50.0		
935	ZYLUM Beteiligungsgesellschaft mbH	Schoenefeld		25.0		
936	ZYRUS Beteiligungsgesellschaft mbH	Schoenefeld		25.0		
937	ZYRUS Beteiligungsgesellschaft mbH & Co. Patente I KG i.L.	Schoenefeld		20.4		

Holdings in large corporations, where the holding exceeds 5 % of voting rights

Serial No.	Name of company	Domicile of company	Foot- note	Share of capital in %	Own funds in € million	Result in € million
938	ABRAAJ Holdings	George Town		8.8		
939	Accunia A/S	Copenhagen		6.1		
940	BBB Bürgschaftsbank zu Berlin-Brandenburg GmbH	Berlin		5.6		
941	Bürgschaftsbank Brandenburg GmbH	Potsdam		8.5		
942	Bürgschaftsbank Mecklenburg-Vorpommern GmbH	Schwerin		8.4		
943	Bürgschaftsbank Sachsen GmbH	Dresden		6.3		
944	Bürgschaftsbank Sachsen-Anhalt GmbH	Magdeburg		8.2		
945	Bürgschaftsbank Schleswig-Holstein Gesellschaft mit beschränkter Haftung	Kiel		5.6		
946	Bürgschaftsbank Thüringen GmbH	Erfurt		8.7		
947	Bürgschaftsgemeinschaft Hamburg GmbH	Hamburg		8.7		
948	Cecon ASA	Arendal		9.6		
949	China Polymetallic Mining Limited	George Town		5.7		
950	DGHL Limited (in voluntary liquidation)	Camana Bay		16.3		
951	Landgesellschaft Mecklenburg-Vorpommern mit beschränkter Haftung	Leezen		11.0		
952	MTS S.p.A.	Rome		5.0		
953	Philipp Holzmann Aktiengesellschaft i.I.	Frankfurt		19.5		
954	Prader Bank S.p.A.	Bolzano		9.0		
955	Private Export Funding Corporation	Wilmington		6.0		
956	PT Trikomsel OKE Tbk	Jakarta		12.0		
957	Saarländische Investitionskreditbank Aktiengesellschaft	Saarbruecken		11.8		
958	Silver Creek Low Vol Strategies, Ltd.	George Town		10.5		
959	The Ottoman Fund Limited	St. Helier		13.6		
960	TRIUVA Kapitalverwaltungsgesellschaft mbH	Frankfurt		6.0		
961	Yensai.com Co., Ltd.	Tokyo		7.1		

Other Information

Declaration of Backing

Deutsche Bank AG ensures, except in the case of political risk, that the following subsidiaries are able to meet their contractual liabilities:

DB Investments (GB) Limited, London

Deutsche Asset Management International GmbH, Frankfurt am Main[1]

Deutsche Asset Management Investment GmbH, Frankfurt am Main[2]

Deutsche Asset Management S.A., Luxembourg[3]

Deutsche Australia Limited, Sydney

DEUTSCHE BANK A.Ş., Istanbul

Deutsche Bank Americas Holding Corp., Wilmington

Deutsche Bank (China) Co., Ltd., Beijing

Deutsche Bank Europe GmbH, Frankfurt am Main

Deutsche Bank Luxembourg S.A., Luxembourg

Deutsche Bank (Malaysia) Berhad, Kuala Lumpur

Deutsche Bank Polska Spółka Akcyjna, Warsaw

Deutsche Bank Privat- und Geschäftskunden AG, Frankfurt am Main

Deutsche Bank S.A. – Banco Alemão, São Paulo

Deutsche Bank, Sociedad Anónima Española, Madrid

Deutsche Bank Società per Azioni, Milan

Deutsche Bank (Suisse) SA, Geneva

Deutsche Bank Trust Company Americas, New York

Deutsche Futures Singapore Pte Ltd, Singapore

Deutsche Holdings (Malta) Ltd., St. Julians

Deutsche Immobilien Leasing GmbH, Düsseldorf

Deutsche Morgan Grenfell Group Public Limited Company, London

Deutsche Securities Inc., Tokyo

Deutsche Securities Asia Limited, Hong Kong

Deutsche Securities Saudi Arabia LLC, Riyadh

DWS Holding & Service GmbH, Frankfurt am Main[4]

norisbank GmbH, Bonn

Public joint-stock company “Deutsche Bank DBU”, Kiev

OOO “Deutsche Bank”, Moscow

Sal. Oppenheim jr. & Cie. AG & Co. KGaA, Köln

[1] We have withdrawn and terminated the declaration of backing for Deutsche Asset Management International GmbH, Frankfurt am Main, last-mentioned in the Annual Report 2016, effective at the end of June 30, 2018.
[2] We have withdrawn and terminated the declaration of backing for Deutsche Asset Management Investment GmbH, Frankfurt am Main, last-mentioned in the Annual Report 2016, effective at the end of June 30, 2018.
[3] We have withdrawn and terminated the declaration of backing for Deutsche Asset Management S.A., Luxembourg, last-mentioned in the Annual Report 2016, effective at the end of June 30, 2018.
[4] We have withdrawn and terminated the declaration of backing for DWS Holding & Service GmbH, Frankfurt am Main, last-mentioned in the Annual Report 2016, effective at the end of June 30, 2018.

Disclosures according to Section 28 of the Pfandbrief Act

The following tables show the disclosures required by Section 28 of the Pfandbrief Act.

Overall Exposure (Section 28 (1) No. 1 Pfandbrief Act)

in € m.	Nominal Value	Present Value	Present Value - High Interest Rate Stress Scenario	Present Value - Low Interest Rate Stress Scenario	Present Value - Worst Case Interest and FX Rate Stress Scenario
					Dec 31, 2017
Mortgage Pfandbriefe	7,538.4	7,664.5	6,731.3	8,950.8	6,731.3
Cover Assets	9,859.8	11,011.9	9,720.5	12,634.6	9,720.5
Cover Assets acc. to § 12 (1)	8,954.7	10,095.9	8,899.0	11,604.5	8,899.0
Cover Assets acc. to § 19 (1) No. 1	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 2[1]	0	0	0	0	0
as % of Mortgage Pfandbriefe	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 3[2]	905.1	916.0	821.5	1,030.1	821.5
as % of Mortgage Pfandbriefe	12.0	12.0	12.2	11.5	12.2
Cover Assets acc. to § 19 (1) No. 4 (Claims)	0	0	0	0	0
as % of Total Cover Assets	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 4 (Liabilities)	0	0	0	0	0
as % of Mortgage Pfandbriefe	0	0	0	0	0
Over-Collateralization	2,321.4	3,347.4	2,989.2	3,683.8	2,989.2
as % of Mortgage Pfandbriefe	30.8	43.7	44.4	41.2	44.4

* According to § 5 (1) No. 1 and § 6 (2) No. 1 PfandBarwertV static approach.
[1] Excluding Cover Assets according to § 4 (1) sentence 2 No. 1 and No. 2 PfandBG.
[2] Including Cover Assets according to § 19 (1) No. 2 PfandBG and including Cover Assets according to § 4 (1) sentence 2 No. 1 and No. 2 PfandBG.

in € m.	Nominal Value	Present Value	Present Value - High Interest Rate Stress Scenario	Present Value - Low Interest Rate Stress Scenario	Present Value - Worst Case Interest and FX Rate Stress Scenario
					Dec 31, 2016
Mortgage Pfandbriefe	7,686.9	7,913.1	7,129.1	8,072.8	7,129.1
Cover Assets	8,940.1	10,320.4	9,090.5	10,566.5	9,090.5
Cover Assets acc. to § 12 (1)	8,660.1	10,023.1	8,811.6	10,268.8	8,811.6
Cover Assets acc. to § 19 (1) No. 1	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 2[1]	0	0	0	0	0
as % of Mortgage Pfandbriefe	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 3[2]	280.0	297.3	278.8	297.7	278.8
as % of Mortgage Pfandbriefe	3.6	3.8	3.9	3.7	3.9
Cover Assets acc. to § 19 (1) No. 4 (Claims)	0	0	0	0	0
as % of Total Cover Assets	0	0	0	0	0
Cover Assets acc. to § 19 (1) No. 4 (Liabilities)	0	0	0	0	0
as % of Mortgage Pfandbriefe	0	0	0	0	0
Over-Collateralization	1,253.2	2,407.3	1,961.4	2,493.7	1,961.4
as % of Mortgage Pfandbriefe	16.3	30.4	27.5	30.9	27.5

* According to § 5 (1) No. 1 and § 6 (2) No. 1 PfandBarwertV static approach.
[1] Excluding Cover Assets according to § 4 (1) sentence 2 No. 1 and No. 2 PfandBG.
[2] Including Cover Assets according to § 19 (1) No. 2 PfandBG and including Cover Assets according to § 4 (1) sentence 2 No. 1 and No. 2 PfandBG.

All cover assets are receivables from customers which are secured by mortgages and further cover assets are bonds and other fixed income securities as per Pfandbrief Act.

Maturity Profile (Section 28 (1) No. 2 Pfandbrief Act)

Maturity profile	Maturity structure of outstanding Pfandbriefe		Fixed rate terms for cover pool	
in € m.	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Term up to 6 months	1,000.0	80.0	373.4	396.6
Term more than 6 months up to 12 months	0	125.0	365.8	200.2
Term more than 12 months up to 18 months	589.9	1,000.0	655.3	269.4
Term more than 18 months up to 2 years	170.0	0	451.0	337.0
Term more than 2 years up to 3 years	950.0	759.9	768.7	972.2
Term more than 3 years up to 4 years	375.0	950.0	847.3	806.5
Term more than 4 years up to 5 years	700.0	1,375.0	671.4	836.3
Term more than 5 years up to 10 years	2,365.0	2,610.0	3,816.3	3,372.4
Term more than 10 years	1,388.5	787.0	1,910.7	1,749.5
Total	**7,538.4**	7,686.9	**9,859.9**	8,940.1

Portion of Derivatives included in the Cover Pool (Section 28 (1) No. 3 Pfandbrief Act)

As of December 31, 2017 and December 31, 2016, there were no derivatives in the cover pool.

Cover Assets by Nominal Value (Section 28 (2) No. 1a Pfandbrief Act)

Single cover assets included in the total amount of € 9.0 billion (2016: € 8.7 billion) with a nominal value of less than € 0.3 million amounted to € 6.6 billion (2016: € 6.3 billion), with a nominal value between € 0.3 million and € 1 million amounted to € 1.6 billion (2016: € 1.7 billion), with a nominal value between € 1 million and € 10 million amounted to € 713 million (2016: € 706 million) and with a nominal value of more than € 10 million amounted to € 0 million (2016: € 0 million).

Loans used as Cover for Mortgage Pfandbriefe by country in which Mortgaged Re-al Estate is based and by Type of Use (Section 28 (2) No. 1b and 1c Pfand-brief Act)

Dec 31, 2017	Residential					Commercial						
in € m.	Apart-ments	Single Family Houses	Multi-family Houses	Other	Total	Office buildings	Retail buildings	Industrial buildings	Other com-mercially used buildings	Total	Land held for building	Total
Germany	1,431.3	4,202.5	2,347.6	0	7,981.4	403.3	142.8	127.2	300.0	973.3	0	8,954.7
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0
Switzerland	0	0	0	0	0	0	0	0	0	0	0	0
France	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,431.3	4,202.5	2,347.6	0	7,981.4	403.3	142.8	127.2	300.0	973.3	0	8,954.7

Dec 31, 2016	Residential					Commercial						
in € m.	Apart-ments	Single Family Houses	Multi-family Houses	Other	Total	Office buildings	Retail buildings	Industrial buildings	Other com-mercially used buildings	Total	Land held for building	Total
Germany	1,301.7	4,044.8	2,267.5	0	7,614.0	411.0	147.6	142.2	345.3	1,046.1	0	8,660.1
United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0
Switzerland	0	0	0	0	0	0	0	0	0	0	0	0
France	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	0	0	0	0	0	0	0	0
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,301.7	4,044.8	2,267.5	0	7,614.0	411.0	147.6	142.2	345.3	1,046.1	0	8,660.1

Payments Outstanding on Mortgage Loans used as Cover for Mortgage Pfand-briefe (Section 28 (2) No. 2 Pfandbrief Act)

As of December 31, 2017 and December 31, 2016, there were no payments 90 days or more past due on mortgage loans used as cover for Mortgage Pfandbriefe.

Additional information on Mortgage Loans (Section 28 (2) No. 4 Pfandbrief Act)

At year end 2017 and 2016 there were no foreclosures pending. In 2017 and 2016, no foreclosures were performed and Deutsche Bank AG did not take over properties to prevent losses on the mortgages. Furthermore, there were no arrears on interest payable by the mortgagors.

Fixed Interest Share Comparison (Section 28 (1) No. 9 Pfandbrief Act)

in € m. (if not stated otherwise)	Nominal Value Dec 31, 2017	 Dec 31, 2016
Fixed Interest Mortgage Pfandbriefe	7,079	6,102
As % of Mortgage Pfandbriefe	94	79
Fixed Interest Cover Assets	9,735	8,813
As % of Total Cover Assets	99	99

Net Present Value per currency (Section 28 (1) No. 10 Pfandbrief Act)

currency in € m.	Net Present Value Dec 31, 2017	 Dec 31, 2016
Euro	2,989	1,961

Additional Characteristic Factors (Section 28 (1) No. 7, Section 28 (1) No. 11, Section 28 (2) No. 3 Pfandbrief Act)

in € m.	Dec 31, 2017	Dec 31, 2016
Average Loan-to-Value Ratio weighted using the Mortgage Lending Value[1]	53	54
Volume-weighted Average in Years of the Maturity that has passed since the Mortgage Loan was granted[2]	5	4
Total Claims exceeding the Limits of § 13 (1) PfandBG (Countries without preferential right)[3]	0	0

[1] According to § 28 (2) No. 3 Pfand Act.
[2] According to § 28 (1) No. 11 Pfand Act.
[3] According to § 28 (1) No. 7 Pfand Act.

Information pursuant to Section 160 (1) Number 8 AktG

As of December 31, 2017 we were aware of the following shareholders who reported a share of at least 3 % in the voting rights each pursuant to Section 33 of the German Securities Trading Act (Wertpapierhandelsgesetz):

Paramount Services Holdings Ltd., British Virgin Islands, has notified us that as of August 20, 2015 it held 3.05 % of our shares. We have received no further notification by Paramount Services Holdings Ltd., British Virgin Islands, through December 31, 2017.

Supreme Universal Holdings Ltd., Cayman Islands, has notified us that as of August 20, 2015 it held 3.05 % of our shares. We have received no further notification by Supreme Universal Holdings Ltd., Cayman Islands, through December 31, 2017.

BlackRock, Inc., Wilmington, DE, has notified us that as of December 13, 2017 it held 6.13 % of our shares. We have received no further notification by BlackRock, Inc., Wilmington, DE, through December 31, 2017.

C-QUADRAT Special Situations Dedicated Fund, Cayman Islands, has notified us that as of April 28, 2017 it held 9.90 % of our shares. We have received no further notification by C-QUADRAT Special Situations Dedicated Fund, Cayman Islands, through December 31, 2017.

Stephen A. Feinberg, (Cerberus), has notified us that as of November 14, 2017 he held 3.001 % of our shares. We have received no further notification by Stephen A. Feinberg, (Cerberus), through December 31, 2017.

Management Board and Supervisory Board

The total remuneration paid to the Management Board is detailed in the Compensation Report starting on page 51. Former members of the Management Board of Deutsche Bank AG or their surviving dependents received € 27,694,325 and € 35,305,889 for the years ended December 31, 2017 and 2016, respectively.

The compensation principles for Supervisory Board members are set forth in our Articles of Association. The compensation provisions, which were newly conceived in 2013, were last amended by resolution of the Annual General Meeting on May 18, 2017 and became effective on October 5, 2017. The members of the Supervisory Board receive fixed annual compensation. The annual base compensation amounts to € 100,000 for each Supervisory Board member. The Supervisory Board Chairman receives twice that amount and the Deputy Chairperson one and a half times that amount. Members and chairs of the committees of the Supervisory Board are paid additional fixed annual compensation. 75 % of the compensation determined is disbursed to each Supervisory Board member after submitting invoices within the first three month of the following year. The other 25 % is converted by the company at the same time into company shares (notional shares) according to the provisions of the Articles of Association. The share value of this number of shares is paid to the respective Supervisory Board member in February of the year following his departure from the Supervisory Board or the expiration of his term of office according to the provisions of the Articles of Association, provided that the member does not leave the Supervisory Board due to important cause which would have justified dismissal. In case of a change in Supervisory Board membership during the year, compensation for the financial year will be paid on a pro rata basis, rounded up/down to full months. For the year of departure, the entire compensation is paid in cash; a forfeiture regulation applies to 25 % of the compensation for that financial year. The members of the Supervisory Board received for the financial year 2017 a total remuneration of € 5,150,000 (2016: € 5,016,667), of which € 3,987,500 will be paid out in 1st quarter 2018 (February 2017: € 3,904,167) according to the provisions of the Articles of Association.

Provisions for pension obligations to former members of the Management Board and their surviving dependents amounted to € 193,802,597 and € 181,630,281 at December 31, 2017 and 2016, respectively.

Loans and advances granted and contingent liabilities assumed for members of the Management Board amounted to € 12,337,886 and € 8,433,662 and for members of the Supervisory Board of Deutsche Bank AG to € 35,210,035 and € 40,005,403 for the years ended December 31, 2017 and 2016, respectively. Members of the Supervisory Board repaid € 4,497,534 loans in 2017.

The members of the Management Board and the Supervisory Board are listed on pages 166 to 167.

Employees

The average number of full-time equivalent staff employed during the reporting year was 29,259 (2016: 30,110), 10,962 of whom were women (2016: 11,343). Part-time employees are included proportionately in these figures based on their working hours. An average of 17,686 (2016: of 18,204) staff members worked at branches outside Germany.

Corporate Governance

The bank has issued the declaration required by Section 161 German Stock Corporation Act (AktG). The Declaration of Conformity dated October 26, 2017, and all of the previous versions of the Declaration of Conformity are published on Deutsche Bank's website at www.db.com/ir/en/documents.htm.

Additional services rendered by the auditor

Deutsche Bank AG and its subsidiaries have received certain audit-related and tax-related services by Deutsche Bank AG's auditor of the annual financial statements, KPMG AG Wirtschaftprüfungsgesellschaft, Germany.

The Audit-related services include other assurance services required by law or regulations, in particular for financial service specific attestation, for quarterly reviews, for spin-off audits and for merger audits, as well as fees for voluntary assurance services, like voluntary audits for internal management purposes and the issuance of comfort letters. Tax-related services include services relating to the preparation and review of tax returns and related compliance assistance and advice, tax consultation and advice relating to Group tax planning strategies and initiatives and assistance with assessing compliance with tax regulations.

For information on the fees paid to Deutsche Bank AG's auditor please refer to the Group's Annual Report.

Management Bodies

Management Board

In the year 2017 the following members belonged to the Management Board:

John Cryan
Chairman

Dr. Marcus Schenck
President (since March 5, 2017)

Christian Sewing
President (since March 5, 2017)

Kimberly Hammonds

Stuart Lewis

Sylvie Matherat

James von Moltke
(since July 1, 2017)

Nicolas Moreau

Garth Ritchie

Karl von Rohr

Werner Steinmüller

Frank Strauß
(since September 1, 2017)

Jeffrey Urwin
(until March 31, 2017)

Supervisory Board

In the year 2017 the following members belonged to the Supervisory Board.
In addition, the place of residence of the members of the Supervisory Board is specified.

Dr. Paul Achleitner
– Chairman
Munich

Stefan Rudschäfski*
– Deputy Chairman
Kaltenkirchen

Wolfgang Böhr*
Dusseldorf

Frank Bsirske*
Berlin

Dina Dublon
New York

Jan Duscheck*
Berlin

Gerhard Eschelbeck
(since May 18, 2017)
Cupertino

Katherine Garrett-Cox
Brechin, Angus

Timo Heider*
Emmerthal

Sabine Irrgang*
Mannheim

Prof. Dr. Henning Kagermann
Königs Wusterhausen

Martina Klee*
Frankfurt am Main

Peter Löscher
(until May 18, 2017)
Munich

Henriette Mark*
Munich

Richard Meddings
Sandhurst

Louise M. Parent
New York

Gabriele Platscher*
Braunschweig

Bernd Rose*
Menden

Gerd Alexander Schütz
(since May 18, 2017)
Vienna

Prof. Dr. Stefan Simon
Schwyz

Dr. Johannes Teyssen
Dusseldorf

Prof. Dr. Klaus Rüdiger Trützschler
(until May 18, 2017)
Essen

*Employees representatives

Committees

Chairman’s Committee
Dr. Paul Achleitner, Chairman
Frank Bsirske*, Prof. Dr. Henning Kagermann, Stefan Rudschäfski*

Nomination Committee
Dr. Paul Achleitner, Chairman
Frank Bsirske*, Prof. Dr. Henning Kagermann, Stefan Rudschäfski*, Dr. Johannes Teyssen

Audit Committee
Richard Meddings, Chairman
Dr. Paul Achleitner, Katherine Garrett-Cox, Henriette Mark*, Gabriele Platscher*, Bernd Rose*,
Prof. Dr. Stefan Simon (since May 18, 2017), Prof. Dr. Klaus Rüdiger Trützschler (until May 18, 2017)

Risk Committee
Dina Dublon, Chairperson
Dr. Paul Achleitner, Wolfgang Böhr*, Richard Meddings, Louise M. Parent

Integrity Committee
Prof. Dr. Stefan Simon, Chairman (since January 1, 2018, Member since May 18, 2017)
Dr. Paul Achleitner, Sabine Irrgang*, Timo Heider*, Martina Klee*, Peter Löscher (until May 18, 2017),
Louise M. Parent (Chairperson until December 31, 2017), Dr. Johannes Teyssen (Vice Chairperson until December 31, 2017)

Compensation Control Committee
Dr. Paul Achleitner, Chairman
Frank Bsirske*, Prof. Dr. Henning Kagermann, Stefan Rudschäfski*

Mediation Committee
Dr. Paul Achleitner, Chairman
Wolfgang Böhr*, Prof. Dr. Henning Kagermann, Stefan Rudschäfski*

*Employees representatives

Regional Advisory Boards and Advisory Boards

According to Deutsche Bank’s Articles of Association, the Management Board may establish regional Advisory Councils and Advisory Boards.
Further information is published on Deutsche Bank’s website at www.db.com/company/en/advisory-boards.htm.

List of Mandates

Supervisory Board

Mandates according to § 285 No. 10 German Commercial Code (HGB) in conjunction with § 125 (1) sentence 5 Stock Corporation Act (AktG)

Memberships in statutory supervisory boards of German corporations and in comparable supervisory bodies of German and foreign business enterprises. Changes in memberships during the year are noted with the date of joining and/or leaving.

As of: February 2018

For Supervisory Board members who left earlier, the mandates are shown as of the date they left. For new Supervisory Board members, the mandates shown are as of the date they joined.

Members of the Supervisory Board

Mandate-Holder	Position	Company	Mandate
Dr. Paul Achleitner	Chairman of the Supervisory Board of Deutsche Bank AG, Frankfurt	External mandates	
		Bayer Aktiengesellschaft	Member of the Supervisory Board
		Daimler AG	Member of the Supervisory Board
Wolfgang Böhr	Chairman of the Staff Council of Deutsche Bank, Dusseldorf; Member of the General Staff Council of Deutsche Bank; Member of the Group Staff Council of Deutsche Bank	External mandates	
		Betriebskrankenkasse Deutsche Bank AG	Member of the Advisory Board
Frank Bsirske	Chairman of the trade union ver.di (Vereinte Dienstleistungsgewerkschaft), Berlin	External mandates	
		IBM Central Holding GmbH	Member of the Supervisory Board (until June 2017)
		innogy SE	Deputy Chairman of the Supervisory Board
		Kreditanstalt für Wiederaufbau (KfW)	Member of the Board of Supervisory Directors
		RWE AG	Deputy Chairman of the Supervisory Board
		Mandates in the Group	
		Deutsche Postbank AG	Deputy Chairman of the Supervisory Board
Dina Dublon		External mandates	
		Accenture PLC	Member of the Board of Directors (until February 2017)
		PepsiCo Inc.	Member of the Board of Directors
Jan Duscheck	Head of national working group Banking, trade union ver.di (Vereinte Dienstleistungsgewerkschaft), Berlin	No memberships or directorships subject to disclosure	
Gerhard Eschelbeck (since May 2017)	Vice President Security & Privacy Engineering, Google Inc., Mountain View	No memberships or directorships subject to disclosure	
Katherine Garrett-Cox	Managing Director and Chief Executive Officer, Gulf International Bank (UK) Ltd., London	External mandates	
		No memberships of directorships subject to disclosure	

Members of the Supervisory Board

Mandate-Holder	Position	Company	Mandate
Timo Heider	Deputy Chairman of the Group Staff Council of Deutsche Bank; Chairman of the Group Staff Council of Deutsche Postbank AG; Chairman of the General Staff Council of BHW Kreditservice GmbH; Chairman of the General Staff Council of BHW Bausparkasse AG/Postbank Finanzberatung AG	Mandates in the Group	
		BHW Bausparkasse AG	Deputy Chairman of the Supervisory Board
		Deutsche Postbank AG	Member of the Supervisory Board
		Pensionskasse der BHW Bausparkasse AG VVaG	Deputy Chairman of the Supervisory Board
Sabine Irrgang	Head of Human Resources Baden-Württemberg, Deutsche Bank AG	No memberships or directorships subject to disclosure	
Professor Dr. Henning Kagermann	President of acatech – German Academy of Science and Engineering, Munich	External mandates	
		BMW Bayerische Motoren Werke AG	Member of the Supervisory Board (until May 2017)
		Deutsche Post AG	Member of the Supervisory Board
		KUKA AG	Member of the Supervisory Board (since May 2017)
		Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft	Member of the Supervisory Board
Martina Klee	Chairperson of the Staff Council Group COO Eschborn/Frankfurt of Deutsche Bank	External mandates	
		Sterbekasse für die Angestellten der Deutschen Bank VVaG	Member of the Supervisory Board
Peter Löscher (until May 2017)	Chairman of the Supervisory Board of OMV AG, Vienna	External mandates	
		OMV AG	Chairman of the Supervisory Board
		Sulzer AG	Chairman of the Board of Directors
		Telefónica S.A.	Member of the Supervisory Board
Henriette Mark	Chairperson of the Combined Staff Council Munich and Southern Bavaria of Deutsche Bank; Member of the General Staff Council of Deutsche Bank; Member of the Group Staff Council of Deutsche Bank	No memberships or directorships subject to disclosure	
Richard Meddings		External mandates	
		HM Treasury	Non-Executive Director
		Jardine Lloyd Thompson Group PLC	Non-Executive Director (since October 2017)
		Legal & General Group PLC	Non-Executive Director (until May 2017)
		TSB Bank PLC	Non-Executive Director (since September 2017) Chairman (since February 2018)
Louise M. Parent	Of Counsel, Cleary Gottlieb Steen & Hamilton LLP, New York	External mandates	
		Fidelity National Information Services Inc.	Member of the Board of Directors (since October 2017)
		Zoetis Inc.	Member of the Board of Directors
Gabriele Platscher	Chairperson of the Combined Staff Council Braunschweig/Hildesheim of Deutsche Bank	External mandates	
		BVV Pensionsfonds des Bankgewerbes AG	
		BVV Versicherungsverein des Bankgewerbes a.G.	Deputy Chairperson of the Supervisory Board
		BVV Versorgungskasse des Bankgewerbes e.V.	

Members of the Supervisory Board

Mandate-Holder	Position	Company	Mandate
Bernd Rose	Chairman of the General Staff Council of Postbank Filialvertrieb AG; Member of the General Staff Council of Deutsche Postbank; Member of the General Staff Council of Deutsche Bank; Member of the European Staff Council of Deutsche Bank	External mandates	
		ver.di Vermögensverwaltungs-gesellschaft	Deputy Chairman of the Supervisory Board
		Mandates in the Group	
		Deutsche Postbank AG	Member of the Supervisory Board
		Postbank Filialvertrieb AG	Member of the Supervisory Board
Stefan Rudschäfski (since January 2017)	Deputy Chairman of the Supervisory Board of Deutsche Bank AG, Frankfurt; Member of the Group Staff Council of Deutsche Bank; Exempted Staff Council member, Deutsche Bank Privat- und Geschäftskunden AG, Hamburg; Chairman of the Staff Council of Deutsche Bank, Hamburg	External mandates	
		Betriebskrankenkasse Deutsche Bank AG	Member of the Advisory Board
Gerd Alexander Schütz (since May 2017)	Founder and Member of the Management Board of C-QUADRAT Investment AG, Vienna	External mandates	
		MyBucks S.A. RCS	Non-Executive Chairman of the Board of Directors (until February 2018)
Professor Dr. Stefan Simon	Self-employed attorney at law with his own law firm, SIMON GmbH, Schwyz	External mandates	
		Leop. Krawinkel GmbH & Co. KG	Member of the Advisory Council; Chairman of the Advisory Council (since January 2018)
Dr. Johannes Teyssen	Chairman of the Management Board of E.ON SE, Essen	External mandates	
		Nord Stream AG	Member of the Shareholders' Committee (since June 2017)
		Uniper SE	Deputy Chairman of the Super-visory Board (until June 2017)
Professor Dr. Klaus Rüdiger Trützschler (until May 2017)		External mandates	
		Sartorius AG	Member of the Supervisory Board
		Wilh. Werhahn KG	Member of the Board of Directors
		Wuppermann AG	Chairman of the Supervisory Board
		Zwiesel Kristallglas AG	Chairman of the Supervisory Board

Management Board

Mandates according to § 285 No. 10 German Commercial Code (HGB) in conjunction with § 125 (1) sentence 5 Stock Corporation Act (AktG)

Memberships in statutory supervisory boards of German corporations and in comparable supervisory bodies of German and foreign business enterprises. Changes in memberships during the year are noted with the date of joining and/or leaving.

Memberships in statutory supervisory bodies of large German and foreign corporations according to Section 340a (4) No. 1 of the German Commercial Code (HGB) are marked with *.

As of: February 2018

For Management Board members who left earlier, the mandates are shown as of the date they left. For new Management Board members, the mandates shown are as of the date they joined.

Members of the Management Board

Mandate-Holder	Position	Company	Mandate
John Cryan	Chairman of the Management Board	External mandates	
		MAN Group PLC	Non-Executive Director
Dr. Marcus Schenck	President	No memberships or directorships subject to disclosure	
Christian Sewing	President	Mandates in the Group	
		Deutsche Bank Privat- und Geschäftskunden AG*	Chairman of the Supervisory Board
		Deutsche Postbank AG*	Member of the Supervisory Board
Kimberly Hammonds	Member of the Management Board	External mandates	
		Cloudera Inc., USA	Non-Executive Director (since May 2017)
		Red Hat Inc., USA	Member of the Board of Directors
Stuart Lewis	Member of the Management Board	Mandates in the Group	
		DEUKONA Versicherungs-Vermittlungs-GmbH	Chairman of the Advisory Board
		Deutsche Bank Società per Azioni*	Chairman of the Supervisory Board
Sylvie Matherat	Member of the Management Board	Mandates in the Group	
		DB USA Corporation	Member of the Board of Directors
James von Moltke (since July 2017)	Member of the Management Board	No memberships or directorships subject to disclosure	
Nicolas Moreau	Member of the Management Board	Mandates in the Group	
		Deutsche Asset Management Investment GmbH	Chairman of the Supervisory Board
Garth Ritchie	Member of the Management Board	No memberships or directorships subject to disclosure	
Karl von Rohr	Member of the Management Board	External mandates	
		BVV Versicherungsverein des Bankgewerbes a.G.	Member of the Supervisory Board
		BVV Versorgungskasse des Bankgewerbes e.V.	Member of the Supervisory Board
		Mandates in the Group	
		Deutsche Postbank AG*	Member of the Supervisory Board
Werner Steinmüller	Member of the Management Board	Mandates in the Group	
		Deutsche Postbank AG*	Chairman of the Supervisory Board
Frank Strauß (since September 2017)	Member of the Management Board	Mandates in the Group	
		Deutsche Postbank AG*	Chairman of the Management Board
Jeffrey Urwin (until March 2017)	Member of the Management Board	No memberships or directorships subject to disclosure	

Employees of Deutsche Bank AG

Mandates according to Section 340a (4) No. 1 of the German Commercial Code (HGB)

Memberships in statutory supervisory bodies of large German and foreign corporations.
As of: December 31, 2017

Employees of Deutsche Bank AG

Mandate-Holder	Company	Mandate
Wilfried Amanshauser	Mandates in the Group	
	OOO “Deutsche Bank”	Member of the Supervisory Board
Ashok Aram	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Chairman of the Supervisory Board
Nathalie Bausch	Mandates in the Group	
	Deutsche Asset Management S.A.	Member of the Supervisory Board
Dr. Michael Berendes	Mandates in the Group	
	Deutsche Bank Bauspar-Aktiengesellschaft	Chairman of the Supervisory Board
Matthias Bergner	Mandates in the Group	
	DB Structured Derivative Products, LLC	Member of the Board of Directors
Brigitte Bomm	Mandates in the Group	
	DB USA Corporation	Member of the Board of Directors
Jörg Bongartz	Mandates in the Group	
	OOO “Deutsche Bank“	Member of the Supervisory Board
Oliver Bortz	Mandates in the Group	
	Deutsche Bank Bauspar-Aktiengesellschaft	Member of the Supervisory Board
Rüdiger Bronn	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
	Deutsche Holdings (Luxembourg) S.à.r.l.	Member of the Supervisory Board
Ralf Brümmer	External mandates	
	Bankpower GmbH Personaldienstleistungen	Deputy Chairman of the Supervisory Board
Matthias Buck	Mandates in the Group	
	PCC Services GmbH der Deutschen Bank	Member of the Supervisory Board
Thomas Buschmann	External mandates	
	VSM Vereinigte Schmirgel- und Maschinen-Fabriken AG	Member of the Supervisory Board
Fabrizio Campelli	Mandates in the Group	
	Deutsche Bank (Suisse) SA	Member of the Board of Directors
Ulrich Christmann	Mandates in the Group	
	Deutsche Bank Bauspar-Aktiengesellschaft	Member of the Supervisory Board
Andrea Corsi	External mandates	
	Lewisham Homes Ltd.	Non-Executive Director
Petra Crull	Mandates in the Group	
	DB Investment Services GmbH	Member of the Supervisory Board
Yves Dermaux	Mandates in the Group	
	Deutsche Asset Management S.A.	Member of the Supervisory Board
Karin Dohm	External mandates	
	Ceconomy AG	Member of the Supervisory Board
	Deutsche EuroShop AG	Deputy Chairperson of the Supervisory Board
	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
Andreas Dörhöfer	External mandates	
	Düsseldorfer Hypothekenbank AG	Member of the Supervisory Board
	Valovis Bank GmbH	Deputy Chairman of the Supervisory Board
Philipp Gossow	Mandates in the Group	
	Deutsche Bank Polska Spólka Akcyjna	Member of the Supervisory Board
Verena Grohs	Mandates in the Group	
	Deutsche Bank Bauspar-Aktiengesellschaft	Member of the Supervisory Board
Dr. Jürgen Harengel	Mandates in the Group	
	Betriebs-Center für Banken AG	Member of the Supervisory Board
Sandra Heinrich	Mandates in the Group	
	PCC Services GmbH der Deutschen Bank	Member of the Supervisory Board

Employees of Deutsche Bank AG

Mandate-Holder	Company	Mandate
Natascha Hilger	External mandates	
	MTS SpA	Non-Executive Director
Kees Hoving	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
Marzio Hug	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
Alexander Ilgen	Mandates in the Group	
	Deutsche Asset Management Investment GmbH	Member of the Supervisory Board
Stephan Jugenheimer	Mandates in the Group	
	RREEF Spezial Invest GmbH	Member of the Supervisory Board
Majid Julfar	External mandates	
	United Kaipara Dairies	Member of the Board of Directors
Daniel Kalczynski	Mandates in the Group	
	Sal. Oppenheim jr. & Cie. AG & Co. KGaA	Chairman of the Supervisory Board
Dr. Tobias Kampmann	Mandates in the Group	
	Deutsche Bank Polska Spólka Akcyjna	Member of the Supervisory Board
Rene Keller	Mandates in the Group	
	Deutsche Bank Privat- und Geschäftskunden AG	Member of the Supervisory Board
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
Thomas Keller	External mandates	
	GEZE GmbH	Member of the Supervisory Board
Susanne Kloess	External mandates	
	Eurex Frankfurt AG	Member of the Supervisory Board
	Mandates in the Group	
	BHW Bausparkasse Aktiengesellschaft	Member of the Supervisory Board
	Postbank Direkt GmbH	Chairperson of the Supervisory Board
	Postbank Filialvertrieb AG	Member of the Supervisory Board
Stefan Knoll	Mandates in the Group	
	RREEF Investment GmbH	Member of the Supervisory Board
Sascha Koerner	Mandates in the Group	
	Deutsche Holdings (Luxembourg) S.à.r.l.	Member of the Supervisory Board
Dr. Martin Konieczny	Mandates in the Group	
	DB Investment Services GmbH	Member of the Supervisory Board
Frank Krings	Mandates in the Group	
	Deutsche Asset Management S.A.	Member of the Supervisory Board
	Deutsche Holdings (Luxembourg) S.à.r.l.	Chairman of the Supervisory Board
Dr. Karen Kuder	Mandates in the Group	
	Deutsche Bank Privat- und Geschäftskunden AG	Member of the Supervisory Board
Frank Kuhnke	Mandates in the Group	
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
Tiina Lee	External mandates	
	CAF Bank	Non-Executive Director
Britta Lehfeldt	Mandates in the Group	
	DB Investment Services GmbH	Member of the Supervisory Board
	Deutsche Bank Bauspar-Aktiengesellschaft	Member of the Supervisory Board
Tiberio Massaro	Mandates in the Group	
	DB Structured Derivative Products, LLC	Member of the Board of Directors
	Deutsche Bank Securities Inc.	Member of the Board of Directors
Lothar Meenen	Mandates in the Group	
	Deutsche Bank Polska Spólka Akcyjna	Member of the Supervisory Board
Marc Melzer	External mandates	
	Investitionsbank Sachsen-Anhalt	Member of the Board of Directors
Karen Meyer	Mandates in the Group	
	Deutsche Postbank AG	Member of the Supervisory Board
Gianluca Minella	External mandates	
	HIS Markit Ltd	Non-Executive Director
Alain Moreau	Mandates in the Group	
	Deutsche Asset Management Investment GmbH	Member of the Supervisory Board
Mario Muth	External mandates	
	TradeWeb Markets LLC	Non-Executive Director
Henning Oldenburg	External mandates	
	Beutin AG	Member of the Supervisory Board
Jorge Otero	Mandates in the Group	
	OOO “Deutsche Bank”	Member of the Supervisory Board
Jay Patel	External mandates	
	iSwap	Non-Executive Director
Thomas Pemsel	External mandates	
	BayBG Bayerische Beteiligungsgesellschaft mbH	Member of the Supervisory Board

Employees of Deutsche Bank AG

Mandate-Holder	Company	Mandate
Rainer Polster	Mandates in the Group	
	Deutsche Bank Österreich AG	Member of the Supervisory Board
JP Rangaswami	External mandates	
	Daily Mail & General Trust PLC	Non-Executive Director
Rainer Rauleder	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
	Deutsche Bank Polska Spólka Akcyjna	Member of the Supervisory Board
Christiana Riley	Mandates in the Group	
	Deutsche Postbank AG	Member of the Supervisory Board
Frank Rueckbrodt	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
	Deutsche Bank, Sociedad Anónima Española	Non-Executive Director
Dr. Anke Sahlén	Mandates in the Group	
	Sal. Oppenheim jr. & Cie. AG & Co. KGaA	Member of the Supervisory Board
Dr. Herbert Schäffner	External mandates	
	BHS tabletop AG	Member of the Supervisory Board
Peter Schedl	Mandates in the Group	
	PCC Services GmbH der Deutschen Bank	Deputy Chairman of the Supervisory Board
Daniel Schmand	Mandates in the Group	
	Deutsche Bank, Sociedad Anónima Española	Non-Executive Director
	OOO „Deutsche Bank“	Member of the Supervisory Board
Frank Schütz	External mandates	
	AKA Ausfuhrkredit-Gesellschaft mbH	Member of the Supervisory Board
Rich Shannon	Mandates in the Group	
	DB Global Technology, Inc.	Member of the Board of Directors
	DB USA Corporation	Member of the Board of Directors
Stephen Shaw	Mandates in the Group	
	RREEF Investment GmbH	Member of the Supervisory Board
	RREEF Spezial Invest GmbH	Member of the Supervisory Board
Satvinder Singh	External mandates	
	Euroclear PLC	Member of the Board of Directors
Eric-M Smith	Mandates in the Group	
	DB U.S. Financial Markets Holding Corporation	Member of the Board of Directors
	DBAH Capital, LLC	Member of the Board of Directors
	Deutsche Bank Trust Company Americas	Member of the Board of Directors
	Deutsche Bank Americas Holding Corp.	Member of the Board of Directors
	Deutsche Bank Trust Corporation	Member of the Board of Directors
	DB USA Corporation	Member of the Board of Directors
Michael Spiegel	Mandates in the Group	
	Deutsche Postbank AG	Member of the Supervisory Board
Till Staffeldt	Mandates in the Group	
	Deutsche Bank Privat- und Geschäftskunden AG	Member of the Supervisory Board
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
Gülabatin Sun	Mandates in the Group	
	PCC Services GmbH der Deutschen Bank	Chairperson of the Supervisory Board
Peter Tils	Mandates in the Group	
	Deutsche Bank Polska Spólka Akcyjna	Chairman of the Supervisory Board
	OOO “Deutsche Bank”	Chairman of the Supervisory Board
Christof von Dryander	Mandates in the Group	
	Deutsche Asset Management Investment GmbH	Member of the Supervisory Board
Nikolaus von Tippelskirch	Mandates in the Group	
	Deutsche Bank (Suisse) SA	Member of the Board of Directors
Robert Vogtle	Mandates in the Group	
	Deutsche Bank Società per Azioni	Member of the Supervisory Board
Holger Wegmann	Mandates in the Group	
	DB Investment Services GmbH	Chairman of the Supervisory Board
Dr. Michael Welker	Mandates in the Group	
	Deutsche Holdings (Luxembourg) S.à.r.l.	Member of the Supervisory Board
	OOO “Deutsche Bank“	Member of the Supervisory Board
Peter Wharton-Hood	Mandates in the Group	
	Deutsche Bank Luxembourg S.A.	Member of the Supervisory Board
Dr. Asoka Wöhrmann	External mandates	
	SCHUFA Holding AG	Member of the Supervisory Board
Peter Yearley	Mandates in the Group	
	DB USA Corporation	Member of the Board of Directors
Dr. Tanja Zschach	External mandates	
	Thüringer Aufbaubank, Anstalt des öffentlichen Rechts	Deputy Member of the Board of Directors

Frankfurt am Main, March 12, 2018

Deutsche Bank Aktiengesellschaft

The Management Board

John Cryan	Marcus Schenck	Christian Sewing
Kimberly Hammonds	Stewart Lewis	Sylvie Matherat
James von Moltke	Nicolas Moreau	Garth Ritchie
Karl von Rohr	Werner Steinmüller	Frank Strauß

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Confirmations

Responsibility Statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements of Deutsche Bank AG give a true and fair view of the assets, liabilities, financial position and profit or loss of the Deutsche Bank AG, and the management report of Deutsche Bank AG includes a fair review of the development and performance of the business and the position of Deutsche Bank AG, together with a description of the principal opportunities and risks associated with the expected development of the Deutsche Bank AG.

Frankfurt am Main, March 12, 2018

John Cryan

Marcus Schenck

Christian Sewing

Kimberly Hammonds

Stewart Lewis

Sylvie Matherat

James von Moltke

Nicolas Moreau

Garth Ritchie

Karl von Rohr

Werner Steinmüller

Frank Strauß

Independent Auditor’s Report

To Deutsche Bank Aktiengesellschaft, Frankfurt am Main

Report on the Audit of the Annual Financial Statements and of the Management Report

Opinions

We have audited the financial statements of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, which comprise the balance sheet as at December 31, 2017, and the statement of the income for the financial year from January 1 to December 31, 2017, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of Deutsche Bank Aktiengesellschaft, Frankfurt am Main, for the financial year from January 1 to December 31, 2017. In accordance with the German legal requirements, we have not audited the content of non-financial statement which is included in the section “Non-financial statement” in the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

– the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law as applicable to credit institutions and give a true and fair view of the net assets, liabilities and financial position of the Bank as at December 31, 2017, and of its financial performance for the financial year from January 1, 2017 to December 31, 2017, in compliance with German Legally Required Accounting Principles, and
– the accompanying management report as a whole provides an appropriate view of the Bank’s position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the management report does not cover the content of the the non-financial statement mentioned above.

Pursuant to Section 322(3) sentence 1 HGB [Handelsgesetzbuch – German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU- Audit Regulation No 537/2014 (referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report” section of our auditor’s report. We are independent of the Bank in accordance with requirements of European law and German commercial and professional law, and we have fulfilled our other responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2017. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Valuation of Investments in Affiliated Companies

With regard to applied accounting and valuation principles, we refer to the notes "Basis of Presentation" and "Notes to the Balance Sheet". Disclosures on the business development can be found in the Section "Economic Environment" in the management report.

The Financial Statement Risk

The annual financial statements as of December 31, 2017 of Deutsche Bank AG contains investments in affiliated companies amounting to EUR 43.6 bn.

Investments in affiliated companies are carried at acquisition cost or, in the case of a permanent impairment, at the lower fair value. The fair value of investments in affiliated companies is generally determined by means of recognized valuation methods, in particular the discounted cash flow method. If the fair value is lower than the book value, qualitative and quantitative criteria are used to determine whether the impairment is considered to be permanent.

The valuation methods are subject to judgments, particularly with regard to the valuation parameters used ((plan) assumptions and discount rates). The assessment, based on qualitative and quantitative factors, of whether there is a permanent impairment loss is also judgmental.

The financial statement risk arises from a permanent impairment of the investment in affiliated companies on the balance sheet date was not appropriately presented because its fair value was determined on the basis of inappropriate valuation models, assumptions and valuation parameters or an incorrect estimate of the permanence of the impairment loss was made.

Our Audit Approach

To determine our audit approach, we have performed a risk assessment with respect to the Bank's investments in affiliated companies with respect to the models, assumptions and parameters used by Deutsche Bank in the valuation. Based on this risk assessment, we have developed an audit approach that includes control and substantive testing.

As part of the audit procedures relating to the internal control system, we first obtained an understanding of the design and implementation of the valuation process. In addition, we have tested operating effectiveness of selected relevant controls for the identification of impairment needs and the performance of the related valuations for investments in affiliated companies.

Subsequently, we performed substantive audit procedures for a risk-based selection of affiliated companies, including our internal KPMG valuation specialists, on the appropriateness of the valuation model for the valuation carried out by the Bank or an independent expert commissioned by the Bank, as well as on key valuation assumptions and parameters.

In doing so, we have:

– assessed the appropriateness of the models used,
– assessed the parameters used in the models (plan assumptions and discount rates) and, for this purpose, have reconciled and verified them with other available projections of Deutsche Bank AG (e. g. for tax purposes) or externally available parameters for discount rates (risk-free interest rates, market risk premiums and beta factors),
– verified the quality of Deutsche Bank AG's forecast to date by backtesting forecasts for the previous financial year with the actual results and analyzing deviations,
– checked the arithmetical correctness of the valuation model used,
– reconstructed the accounting treatment of value adjustments, and
– In doing so, we have assessed the independent expert's competence, skills and objectivity, gained an understanding of his activities and assessed the suitability of his work as evidence of the appropriateness of the expert's work for the valuation of investments.

Our Observations
Based on the results of our key controls testing and substantive audit procedures, we consider the valuation models, assumptions and parameters underlying the valuation of investments in affiliated companies to be appropriate. We consider the Bank's assessment of whether there is a permanent reduction in value to be reasonable.

Valuation of Financial Instruments with Unobservable Valuation Inputs

A description of the management of market risks is included in the management report in the sections "Risk Profile" and "Market Risk". Significant accounting and valuation principles are described in note "Basis of Presentation".

The Financial Statement Risk
The annual financial statements of Deutsche Bank Aktiengesellschaft contain trading assets amounting to EUR 601.8 bn and trading liabilities of EUR 519.9 bn. Both positions also contain financial instruments of which valuation inputs are unobservable.

By definition, market prices are not observable for the valuation of these financial instruments. The fair values are therefore to be determined on the basis of accepted valuation methods. These valuation methods consist of complex models at times and include assumptions and estimates. They are based on judgment concerning the models and parameters used.

The financial statement risk arises particularly with respect to valuation models or valuation parameters that are used in determining fair values leading to these financial instruments not being in accordance with accounting principles.

Our Audit Approach
To determine our audit approach, we initially evaluated the general suitability and the potential for misstatements in models and parameters used for the valuation. Additionally, we assessed the inventory of financial instruments with unobservable valuation inputs for potential valuation adjustments required based on among others counterparty credit risk (CVA), the Group's own credit risk (DVA) and its cost of funding (FVA).

Based on our risk assessment we established an audit approach including control and substantive testing.

In order to assess the adequacy of the Bank's internal control system regarding the valuation of financial instruments based on unobservable inputs, we evaluated the design and implementation and tested operating effectiveness of key controls. We also made use of KPMG-internal valuation specialists as needed. Audit procedures included but were not limited to controls over:

- monthly independent price verification (IPV) procedures performed by the Bank to assure the adequacy of input parameters used for these financial instruments,
- model validation of valuation models and inputs used by the Bank including respective governance,
- calculation and recording of valuation adjustments required by accounting standards to determine fair values, and
- collateral disputes arising from counterparty valuation disagreements.

Where we had findings regarding design or effectiveness of controls, we tested additional compensating controls. We considered our audit results when designing nature and scope of additional substantive audit procedures.

We performed substantive procedures on a risk-based sample of financial instruments with unobservable valuation inputs. These include in particular:

- performance of independent price verification (IPV) on selected individual transactions of financial instruments, including usage of KPMG-internal valuation specialists,
- independent recalculation of selected valuation adjustments
- performance of procedures to determine adequacy of models used, including key inputs and their usage in the respective pricing models, and
- testing whether the valuation inputs for the financial instruments are not quoted on active markets.

Our Observations
Based on the results of our key controls testing and substantive audit procedures, we consider models and related parameters used for valuing financial instruments with unobservable valuation inputs to be reasonable.

Loan Loss Allowances in Credit Portfolios of certain Industries

For a qualitative and quantitative description of the management of credit risks, including the valuation of loans, we refer to the Risk Report in the management report in section “Risk Strategy and Appetite”.

The Financial Statement Risk

As of the reporting date, the Bank reports loans – net of loan loss provisions – in the amount of EUR 405.6bn, representing 33 % of total assets. In the financial year 2017, the Bank recorded an amount of EUR 475mn as provision for credit losses in the income statement.

As part of our risk assessment, we identified loans for borrowers in selected segments bearing a higher valuation risk due to industry-specific challenges.

The financial statement risk arises particularly from estimation uncertainties in the calculation of individually assessed loan loss allowance which are based upon judgmental assumptions and scenarios (i.e. recovery scenario, going concern scenario etc.), including assessments of proceeds from collateral.

Our Audit Approach

In order to perform a risk assessment and to plan our audit procedures, we conducted a portfolio analysis to assess the inherent valuation risks and to identify higher-risk industries. In addition, we assessed the Bank’s methodologies and key inputs used to derive individually assessed loan loss provisions.

Based on our risk assessment we established an audit approach including control and substantive testing.

In our controls testing, we evaluated design, implementation and operating effectiveness of controls over valuation of loans. These include but are not limited to controls over:

– the review and approval of impairment policies and general methodology,
– the review for loans under enhanced monitoring,
– regular valuation of collateral, and
– the calculation and recording of individually assessed loan loss allowance.

In addition, we performed substantive audit procedures for a selection of loans in the identified higher-risk industries to test that the cash flows used for calculating the individually assessed loan loss provisions were derived appropriately. In assessing the adequacy of expected cashflows, we considered industry specific market expectations and the respective engagement strategy (e.g. restructuring, liquidation). For selected engagements, we also recalculated the individually assessed loan loss provisions.

Our Observations

Based on the results of our key controls testing and substantive audit procedures, we consider the assumptions and scenarios to determine individually assessed loan loss allowance for loans relating to the identified higher-risk industries to be reasonable.

Recognition and Measurement of Deferred Tax Assets

For a description of the significant accounting policies and critical accounting estimates as well as underlying assumptions for the recognition and measurement of deferred tax assets, we refer to the notes “Basis of Presentation” and “Notes to the Balance Sheet”.

The Financial Statement Risk

The annual financial statements contains deferred tax assets of EUR 2.4bn.

Recognition and measurement of deferred tax assets contains judgment and besides objective factors also numerous estimates regarding future taxable profit and the usability of unused tax losses and tax credits.

The financial statement risk arises particularly from future usability of the benefits being estimated inappropriately. The estimation of future usability depends on future taxable profit potential based on the business plan and taking into account the expected development of key value-determining assumptions and parameters included therein, all being subject to uncertainty. These include in particular assumptions on the development of pre-tax earnings, the influence of potential special items, and permanent effects which determine the taxable profit available in the future. Such estimates must also consider current political and economic developments and jurisdiction specific considerations.

Our Audit Approach

We conducted a risk assessment to gain an understanding of the applicable tax laws and regulations relevant to the Bank. Based on that, we performed both tests of related internal key controls and substantive audit procedures with the assistance of KPMG-internal tax specialists. We performed the following audit procedures as part of our controls testing including, but not limited to:

– evaluation of the policies used for recognition and measurement of deferred tax assets in accordance with Section 274 HGB and
– test of design, implementation and operating effectiveness of internal controls with respect to recognition of deferred tax assets.

Furthermore, we performed substantive audit procedures for a risk-based sample of deferred tax assets in countries. This included, but was not limited to:

– assessment of the appropriateness of parameters applied to the business plans, including sub-plans for relevant countries where appropriate. In doing so, we scrutinized the appropriateness of the planning parameters applied by considering potential positive and negative indicators regarding recoverability or occurrence of planning parameters and assumptions, and
– review of the bridge from pre-tax income to the planned taxable profit.

Our Observations

Based on the results of our key controls testing and substantive audit procedures we consider recognition and measurement of deferred tax assets in particular regarding the assumptions and parameters to develop the taxable profit from the business plan to be reasonable.

Presentation of Legal Risks in the Financial Statements

For a qualitative and quantitative description of significant litigations we refer to the section “Other Provisions” in the “Notes to the Balance Sheet”. A qualitative and quantitative description of legal risks is contained in the Risk Report in the management report.

The Financial Statement Risk

As of the reporting date, the Bank reports provisions for legal risks in the amount of EUR 1.3bn. They consist of provisions for civil litigations amounting to EUR 585mn and provisions for regulatory enforcement amounting to EUR 733bn.

The financial statement risk arises particularly from failure to appropriately reflect potential financial obligations (provisions) resulting from non-compliance with applicable laws, regulatory requirements or contractual agreements, or asserted claims in the Bank’s financial statements. The identification of those matters, the evaluation of its likelihood, and the valuation of potential financial obligations resulting thereof is subject to judgment and estimation uncertainty.

Our Audit Approach

We conducted a risk assessment regarding potential obligating events in designing our audit approach. This was based on an assessment of the internal control system regarding the complete and accurate recording of legal risks, particularly by inquiries with management as well as departments that are responsible to identify, evaluate and monitor legal risks. It further consisted of a review of internal and external documentation and publicly available information, inspection of accounts regarding legal expenses and legal confirmation letters sent to the lawyers dealing with material litigations.

Based on our risk assessment we established an audit approach including control and substantive testing.

To test the adequacy of the internal control system, we identified controls designed to assure the completeness and accuracy of valuation of provisions for legal risks and tested the design and the implementation, as well as the operating effectiveness of such controls.

Additionally, we have conducted substantive audit procedures for a risk-based sample of cases.

We evaluated the recognition and valuation of material provisions of the Bank based on facts and circumstances available regarding compliance with the accounting standards.

In order to determine the facts and circumstances of the individual cases, we performed inspection of relevant documents and we inquired with the Bank's internal and external legal counsel. We assessed the material assumptions made and key judgements applied including the evaluation of disconfirming evidence. Specifically, for matters where potential obligations existed but the exposure was considered less than probable, we considered audit evidence regarding the lack of recognition and the disclosure thereof.

Additionally, we considered whether the Bank's disclosures of the application of judgement in estimating provisions is adequately reflected.

Our Observations

Based on the results of our key controls testing and substantive audit procedures, we considered the identification of matters and the evaluation of its likelihood and estimated provision for potential obligations as reasonable.

IT Access Management in the financial reporting process

For a description of internal controls over the financial reporting process including IT access management controls, we refer to the management report in section "Internal Control over Financial Reporting".

The Financial Statement Risk

The financial reporting process is highly dependent on information technology and the availability of complete and accurate electronic data due to the size and the complexity of the Bank. The inappropriate granting of access rights to IT systems therefore presents a risk to the accuracy of financial reporting. This risk applies in particular to systems with access rights which do not correspond to a "need to know" or "need to have" principle, i.e. access is granted solely based on the requirements of the role and no further authorization requirement is in place, or the segregation of duties principle, i.e. between IT and specialist departments as well as between development and application operations.

Unauthorized or extensive access rights and a lack of segregation of duties cause a risk of intended or unintended manipulation of data that have a material effect on the completeness and accuracy of the financial statements. Therefore, the design of and compliance with respective precautions is a significant matter for our audit.

Our Audit Approach

We obtained an understanding of the Bank's business IT related control environment. Furthermore we conducted a risk assessment and identified IT applications, databases and operating systems that are relevant to our audit.

For relevant IT-dependent controls within the financial reporting process (so-called IT application controls) we identified supporting general IT controls and evaluated their design, implementation, and operating effectiveness. We tested key controls particularly in the area of access protection and linkage of such controls to the completeness and accuracy of financial reporting. Our audit procedures included, but were not limited to, the following:

– Tests of controls regarding initial access granted to IT systems for new employees or employees changing roles, whether that access was subject to appropriate screening and if it was approved by an authorized person in line with the role based authorization concept.
– Test of controls regarding removal of employee or former employee access rights within an appropriate period of time after having changed roles or leaving the company.
– Test of controls regarding the appropriateness of system access rights for privileged or administrative authorizations (superuser) being subject to a restrictive authorization assignment procedure and the regular review thereof.

Moreover, we conducted specific testing procedures in the area of password protection, security settings regarding modifications for applications, databases, and operating systems, the segregation of specialist department and IT users and the segregation of employees responsible for program development and those responsible for system operations. In cases where certain IT controls were not effective we identified and tested additional compensating controls for implementation and operating effectiveness and obtained other compensating evidence.

Considering the results of our control environment tests, we decided on the nature and scope of further substantive audit procedures to be performed. Particularly, where we identified user authorizations not being withdrawn on time after leaving the Bank, we performed an inspection of the activity log of individual users to determine whether unauthorized activities had occurred that would materially affect the completeness and accuracy of financial information processed.

Also, by tests of detail we assessed if program developers had no approval rights in the modification process and that they were not able to carry out any modifications in the productive versions of applications, databases, and operating systems to assess if these responsibilities were functionally segregated. We have also analyzed the segregation of duties on critical trading and payment systems in order to assess whether the segregation of duties between front and back offices has been adhered to.

Our Observations

Based on the results of our key controls testing and substantive audit procedures, we consider the IT access management in the financial reporting process to generally address the requirements for completeness and accuracy of financial reporting relevant data. In cases where we identified control deficiencies, we found that compensating controls were in place to largely address the risk of material misstatement over the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the non-financial statement.

Our opinions on the annual financial statements and on the management report do not cover the other information and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

– is materially inconsistent with the annual financial statements, with the management report or our knowledge obtained in the audit, or
– otherwise appears to be materially misstated.

Responsibility of Management and the Supervisory Board for the Annual Financial Statements and the Management Report

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to credit institutions, and that the annual financial statements give a true and fair view of the net assets, liabilities, financial position and financial performance of the Bank in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Bank's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, management is responsible for the preparation of the management report that as a whole provides an appropriate view of the Bank's position and is, in all material aspects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Bank's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Bank’s position and, in all material aspects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the annual financial statements and of the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
– Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Bank.
– Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
– Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to be able to continue as a going concern.
– Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the net assets, liabilities, financial position and financial performance of the Bank in compliance with German Legally Required Accounting Principles.
– Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Bank’s position it provides.
– Perform audit procedures on the prospective information presented by management in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on May 18, 2017. We were engaged by the Supervisory Board on July 26, 2017. We or our predecessor firms have served as auditor to Deutsche Bank Aktiengesellschaft and its predecessor companies since 1952.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

The non-audit services provided by us in addition to the financial statement audit are disclosed in note “Other Information”.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Burkhard Böth.

Frankfurt am Main, March 12, 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft

Pukropski	Böth
Wirtschaftsprüfer	Wirtschaftsprüfer

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2018
Financial Calendar

April 26, 2018
Interim Report as of March 31, 2018

May 24, 2018
Annual General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)

May 29, 2018
Dividend payment

July 25, 2018
Interim Report as of June 30, 2018

October 24, 2018
Interim Report as of September 30, 2018

2019
Financial Calendar

February 1, 2019
Preliminary results for the 2018 financial year

March 22, 2019
Annual Report 2018 and Form 20-F

April 25, 2019
Interim Report as of March 31, 2019

May 23, 2019
Annual General Meeting in the Festhalle Frankfurt am Main (Exhibition Center)

May 28, 2019
Dividend payment
(in case of a distributable profit and the decision of the AGM to pay a dividend)

July 25, 2019
Interim Report as of June 30, 2019

October 31, 2019
Interim Report as of September 30, 2019