

Deutsche Bank

Deutsche Bank
Trust Company Americas
CRR Article 13(1) Pillar 3 Disclosures
at December 31, 2015

Passion to Perform



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Introduction

Overview of CRR and CRD IV

Prudential rules for banks and investment companies are contained in EU Regulation 575/2013 (the Capital Requirements Regulation, “CRR”) and in the EU Directive 2013/36/EU (the Capital Requirements Directive, “CRD 4”), as published in the Official Journal of the European Union on June 27, 2013, and which became effective January 1, 2014. These transpose standards defined by the Basel Committee on Banking Supervision (known as the Basel 3 framework) into European Union Regulations.

The CRR is directly enforceable in member states, while the regulations in CRD 4 must be implemented through national legislation.

Article 13(1) CRR (“Application of disclosure requirements on a consolidated basis”) requires that significant subsidiaries of EU parent institutions and, those subsidiaries which are of material significance for their local market, disclose information specified in the following articles on an individual or sub-consolidated basis:

Own funds (Article 437)

Capital requirements (Article 438)

Capital buffers (Article 440)

Credit risk adjustments (Article 442)

Remuneration Policy (Article 450)

Leverage (Article 451)

Credit risk mitigation techniques (Article 453)

Article 13(1) CRR does not provide explicit criteria for the determination of significant subsidiaries or those subsidiaries which are of material significance for their local market. Therefore, Deutsche Bank Aktiengesellschaft (“DBAG”) has defined certain quantitative and qualitative criteria to determine which subsidiaries would be subject to the requirements set forth in Article 13(1) CRR. These criteria take into account the subsidiaries significance to DBAG as well as the subsidiaries importance to its local market using quantitative measures such as total assets and total risk weighted assets (“RWA”) in relationship of DBAG’s consolidated assets and RWA, as well as certain qualitative aspects of the subsidiaries standalone systemic importance to their local markets using designations and measures as defined by local regulators.

When applying these measures, Deutsche Bank Trust Company Americas (“DBTCA”), a subsidiary of DBAG that is a New York State-chartered insured depository institution, has been identified as a significant subsidiary and as such, DBTCA is subject to the disclosure requirements described above. DBTCA disclosures will be made on an individual basis.

Deutsche Bank Trust Company Americas

Deutsche Bank Trust Company Americas (“DBTCA”) is the principal subsidiary of Deutsche Bank Trust Corporation (“DBTC”), which is a wholly owned subsidiary of Deutsche Bank AG. DBTC is a New York-chartered bank holding company (“BHC”) that qualifies as a financial holding company and is regulated and supervised by the Federal Reserve Board (“FRB”). DBTCA is a bank that is chartered under the laws of the State of New York, insured by the Federal Deposit Insurance Corporation (“FDIC”), and is a member of the Federal Reserve System. Accordingly, DBTCA is regulated and supervised by the FRB and the New York State Department of Financial Services (“NYDFS”). DBTC also holds other subsidiaries including Deutsche Bank Trust Company Delaware (“DBTCD”), a bank that is chartered under the laws of the State of Delaware and insured by the FDIC. For purposes of this document, DBTCA will be the primary focus as this is the principal operating subsidiary of DBTC.

As a US bank, DBTCA is subject to the applicable banking rules and regulations as set forth primarily by the FRB under the U.S. Bank Holding Company Act. All regulated banks in the U.S. are required to file periodic financial reports and other information with their respective regulators and regulatory agencies. For banks in the US, one of the key reports required to be filed is the quarterly Consolidated Report of Condition and Income, generally referred to as the "CALL Report".

The CALL report collects basic financial data of banks in the form of a balance sheet, an income statement, and supporting supplemental schedules. Several of the supplemental schedules provide details on credit exposures and their related reserves. In addition, the CALL report includes schedules detailing the banks regulatory capital, including leverage and capital ratios. Effective March 31, 2015, DBTCA is subject to the US Final Rule on Basel 3 Capital Requirements ("US Basel 3 capital rules") as approved by the Federal Reserve Bank on July 2, 2013.

Basis of Preparation

The US Basel 3 capital rules revised the definition of regulatory capital elements and minimum capital ratios. The US Basel 3 capital rules introduce regulatory capital buffers above minimum requirements, established a common equity tier 1 ratio, and revised the rules for calculating RWA. The US Basel 3 capital rules also include two methodologies for calculating RWA: a general Standardized approach and more risk-sensitive Advanced approach. Certain requirements of Basel III are subject to transition periods with full implementation by January 1, 2019.

Banking organizations with consolidated assets greater than \$250 billion or foreign exposures greater than \$10 billion are required to adopt the Advanced approach in addition to the Standardized approach for calculating RWA. All other banking organizations are required to adopt the Standardized approach. DBTCA's consolidated assets and foreign exposures do not exceed the limits as set out in the US Basel 3 capital rules and therefore, is only required to adopt the Standardized approach.

The US banking regulators require Pillar 3 disclosures at the holding company level. Under the US regulatory rules, separate US Pillar 3 disclosures are not required for consolidated subsidiaries of bank holding company organizations. A separate US Pillar 3 disclosure report therefore has not been prepared for DBTCA.

However, for purposes of this disclosure, Own funds (Article 437), Capital requirements (Article 438), Capital buffers (Article 440), and Leverage (Article 451) will be reported pursuant to the US Basel 3 capital rules as these represent key US capital adequacy measures for DBTCA. These disclosures will be reported on a US GAAP basis as reported in the DBTCA CALL Report. These figures will be reported as USD and in millions.

All other results are primarily based on fundamental credit risk and remuneration policies, processes and principles which are common across DBAG subsidiaries. DBTCA's disclosures as they relate to Credit risk adjustments (Article 442), Credit risk mitigation techniques (Article 453), and Remuneration Policy (Article 450) will be presented on a basis consistent with DBAG's consolidated CRR disclosures. Using a basis consistent with DBAG's consolidated disclosures, DBTCA will present these disclosures on an IFRS basis. For these disclosures, all figures will exclude inter-company transactions as such transaction would have been eliminated from DBAG's consolidated results and figures will be represented in Euro and in millions.

US Intermediate Holding Company Regulatory Framework

Deutsche Bank in the US is in the process of implementing the US Intermediate Holding Company ("IHC") as required by US laws and regulations. This will further strengthen the framework under which Article 13(1) CRR requirements will be met using principles and methodologies that are similar to those set out in CRR/CRD 4.

DBAG is in the process of implementing its IHC pursuant to Regulation YY: Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations, codified in 12 C.F.R. Part 252, and, in particular, Subpart O - Enhanced Prudential Standards for Foreign Banking Organizations with Total Consolidated Assets of \$50 Billion or More and Combined U.S. Assets of \$50 Billion or More" (the "FBO EPS Rule").

The FBO EPS rule requires that a foreign banking organization (“FBO”) having US non-branch assets of \$50 billion or more establish in the US an IHC for its US subsidiaries that must be organized under the applicable US laws and operate under all applicable US regulatory requirements including, leverage and risk-based capital standards, stress testing, risk management and liquidity requirements.

The IHC is scheduled to be implemented by July 1, 2016 as required by regulations and, at such time, the IHC will be subject to the US Basel 3 framework which will facilitate the disclosure requirements as set out in Article 13(1) CRR.

US Basel 3 Regulatory Capital and Ratios

Consolidation Basis

DBTCA's consolidated financial statements have been prepared in accordance with US generally accepted accounting principles (“US GAAP”). The consolidated financial statements of DBTCA include entities in which it has a controlling financial interest. DBTCA consolidates entities in which it has a majority voting interest when the voting interest entity is controlled through substantive voting equity interests and the equity investors bear the residual economic risks of the entity. DBTCA also consolidates variable interest entities (“VIEs”) for which it is deemed to be the primary beneficiary in accordance with Accounting Standards Codification (“ASC”) Topic 810, Consolidation.

There are no differences in the basis of consolidation for financial accounting and regulatory purposes.

Regulatory Capital

The calculation of DBTCA's risk based capital (“RBC”) is pursuant to the US Basel 3 capital rules and includes applicable deductions and filters, some of which are reported on a transitional basis. The information in this section is based on the regulatory principles of consolidation.

DBTCA's RBC pursuant to the effective regulations as of year-end 2015 comprises Tier 1 and Tier 2 (“T2”) capital. Tier 1 capital is subdivided into Common Equity Tier 1 (“CET1”) capital and Additional Tier 1 (“AT1”) capital.

CET1 capital consists of common share capital including related share premium accounts, retained earnings (including losses for the financial year, if any) and accumulated other comprehensive income (“AOCI”), subject to regulatory adjustments (i.e. prudential filters and deductions). For DBTCA, prudential filters for CET1 are limited to AOCI and CET1 capital deductions comprise intangible assets.

There are no components of AT1 for DBTCA.

For DBTCA, T2 capital consists of allowance for loan and lease losses up to 1.25 percent of total RWA.

There are no material changes to DBTCA's regulatory capital structure when computing Tier 1 capital.

AOCI includes unrealized gains and losses on available-for-sale (“AFS”) securities. Under the previous capital rules (Basel 1), unrealized gains and losses on AFS debt securities are not included in regulatory capital, i.e., these unrealized gains and losses are filtered out of regulatory capital. One of the perceived benefits of the AOCI filter is that it reduces volatility in a bank's capital levels, especially during periods of interest rate movements. The US Basel 3 capital rules permits certain banks to make a one-time, permanent election to retain the AOCI when computing its common equity capital. An opt-out election must be made in the regulatory report filed for the first reporting period after the banking organization becomes subject to US Basel 3 capital rules, which for DBTCA was March 31, 2105. DBTCA has not elected the opt-out option for AOCI (i.e. changes in AOCI will impact regulatory capital levels). The AOCI election made by DBTCA did not have a significant impact on common equity tier 1 capital.

The below table shows the reconciliation between shareholder's equity as reported for accounting purposes to equity for regulatory purposes.

Reconciliation of shareholder's equity to regulatory capital

	31-Dec-15
in USD m.	US Basel 3
Common Stock plus retained surplus	2,726
Retained Earnings	6,071
Accumulated other comprehensive income (AOCI)	(7)
Total shareholder's equity per accounting balance sheet	8,790
Accumulated other comprehensive income (AOCI) based on transition rules ¹	3
Total shareholder's equity per regulatory balance sheet	8,793
Common Equity Tier 1 (CET1) capital before regulatory adjustments	8,793
Intangible assets (other than goodwill and mortgage servicing assets), net of associated DTL's	(11)
Common Equity Tier 1 capital	8,782
Tier 1 capital	8,782
Allowance for loan and lease losses includable in tier 2 capital	46
Total Regulatory Capital	8,828

¹ Banks subject to the Standardized Approach can make a one-time opt-out election not to include unrealized gains and losses in regulatory capital. Below are the AOCI transition periods and adjustments percentages.

Transition Period	Percentage of the transition AOCI adjustment amount to be applied to common equity tier 1 capital
Calendar year 2014	80
Calendar year 2015	60
Calendar year 2016	40
Calendar year 2017	20
Calendar year 2018 and thereafter	0

Capital Adequacy

Under the US Basel 3 capital rules, regulators define capital requirements for banks expressed in the form of a CET1 capital ratio, a Tier 1 capital ratio, a RBC capital ratio, and a Leverage ratio. The current minimum required levels for these ratios are 4.5 percent, 6.0 percent, 8.0 percent, and 4.0 percent, respectively, while the requirements for an insured depository institution to be considered "well-capitalized" are 6.5 percent, 8.0 percent, 10.0 percent, and 5.0 percent, respectively.

The US Basel 3 capital rules also introduced regulatory capital buffers, to be phased in beginning January 1, 2016, and fully phased in by January 1, 2019. These changes require banks to maintain a capital conservation buffer equal to at least 2.5 percent of total RWA above the regulatory minimum for the most constraining capital ratio (CET1, Tier 1 or Total Risk-based capital). For DBTCA, capital buffers are not applicable until January 1, 2016.

DBTCA is subject to minimum regulatory capital requirements that are prescribed by the US regulators. These requirements include maintaining adequate capital levels for CET1, Tier 1, RBC and Leverage. CET1, Tier 1 and total RBC are calculated using RWA. Leverage is calculated by comparing Tier 1 capital to average total assets.

The regulatory capital ratios are computed as follows:

- **CET1 Ratio:** CET1 capital divided by RWA
- **Tier 1 Ratio:** Tier 1 capital divided by RWA
- **Total RBC Ratio:** RBC divided by RWA
- **Leverage Ratio:** Tier 1 capital divided by total average assets

DBTCA management ensures that appropriate capital levels are maintained based on the size of the bank's assets, complexity and risk profile of its businesses. DBTCA is required to maintain minimum regulatory capital ratios. Using the Standardized approach, the CET1 capital ratio for DBTCA was 42.47 percent at December 31, 2015. DBTCA's Tier 1 capital ratio and total RBC ratio was 42.47 and 42.70 percent, respectively, at December 31, 2015. The Leverage ratio was 16.52 percent at December 31, 2015.

The below table shows key capital adequacy ratios at December 31, 2015.

Basel 3 Capital Components and Ratios

	31-Dec-15
	US Basel 3
in USD m.	
Common Stock plus retained surplus, net of unearned employee stock ownership plan (ESOP) shares	2,726
Retained Earnings	6,071
Accumulated other comprehensive income (AOCI) based on transition rules	(4)
Common Equity Tier 1 Capital, before adjustments and deductions	8,793
Common Equity Tier 1 Capital: Adjustments and Deductions	
Less: Intangible assets (other than goodwill and mortgage servicing assets), net of associated DTL's	(11)
Common Equity Tier 1 Capital	8,782
Tier 1 Capital	8,782
Allowance for loan and lease losses includable in tier 2 capital	46
Total Regulatory Capital	8,828
Assets	
Risk Weighted Assets	20,676
Average total consolidated assets	53,163
Less: Deductions from CET1 capital and additional tier 1 capital	11
Average adjusted total assets	53,152
Ratios	
Common Equity Tier 1	42.47%
Tier 1	42.47%
Total Risk-based	42.70%
Leverage	16.52%

Basel 3 Standardized Approach Risk Weighted Assets

DBTCA's RWA are calculated based on the US Basel 3 capital rules Standardized approach. The US Basel 3 capital rules introduced several changes to the calculation of RWA. Some of the more significant changes impacting DBTCA's RWA include:

- Assigns a 100% risk weight to most commercial real estate loans; and a 150% risk-weight for high volatility commercial real estate loans;
- Assigns a 150% risk weight to past due exposures (except sovereign exposures and residential mortgages);
- Increases the risk weight for exposures to qualifying securities firms from 20% to 100%;
- Introduces new rules for recognizing collateral and guarantees as credit risk mitigants; and
- Removes references to credit rating agency ratings in methods for calculating RWA.

Operational Risk RWA is not applicable for banks calculating RWA under the US Basel 3 Standardized approach.

Market Risk RWA is only applicable to banks that are subject to the Market Risk Final Rule. This rule applies to US banking organizations that have significant trading activity ("Market Risk Banking Organizations"). US Market Risk Banking Organizations have aggregated trading assets and liabilities of at least \$1 billion or 10% of total assets. DBTCA does not meet the definition of a Market Risk Banking Organization and therefore not subject to the Market Risk RWA.

For banks calculating RWA under the Standardized approach, general risk weights are applied for each type of exposure to determine the credit risk RWA amount. Banks are required to calculate exposures amounts for all on-balance sheet exposures, over-the-counter transactions, off-balance sheet commitment trade related contingency, guarantees, repo-style transactions, standby letters of credit, forward agreements and other similar transactions.

These exposure amounts are then multiplied by the supervisory risk weight appropriate to the exposure, based on the exposure type and the counterparty, eligible guarantor or financial collateral. Some of the risk weights applicable to DBTCA include:

- Residential mortgage exposures – 50% risk weight for first-lien mortgages satisfying certain criteria, 100% risk weight for all other
- High Volatility Commercial Real Estate Exposures – 150% risk weight
- Past Due Exposures – 150% risk weight to exposure not guaranteed or secured past due 90 days or more
- Corporate Exposures – 100% risk weight, including exposures to securities firms
- Depository Institutions – 20% for US-based, correlated to Country Risk Classification for foreign banks
- Multilateral Development Banks ("MDB") – 0 risk weight for listed MDB and 100% risk weight for all others

The below schedule represents DBTCA's distribution of RWA by exposure categories as reported in DBTCA's FFIEC 031, Schedule RC-R Regulatory Capital for the period ended December 31, 2015.

Basel 3 Standardized Approach Risk Weighted Assets

	31-Dec-15
in USD m.	US Basel 3
US Basel 3 Standardized Approach	
Cash and balances due from depository institutions	25
Residential mortgage exposures	2,020
High volatility commercial real estate exposures	80
Exposures past due 90 days or more or on nonaccrual	114
All other exposures	14,844
All other assets	485
On-balance Sheet Exposures	17,568
Financial standby letters of credit	415
Performance standby letters of credit	19
Commercial and similar letters of credit	2
Repo style transactions	42
Unused commitments	2,619
Over-the-counter derivatives	12
Off-balance sheet exposures	3,109
Total Risk Weighted Assets	20,676

US Basel 3 Leverage Ratios

The minimum Tier 1 leverage ratio has been left unchanged by the US Basel 3 capital rules at 4%. However, the calculation methodology has been changed to include adjustments to Tier 1 capital.

In addition to the minimum Tier 1 leverage ratio, banks having to adopt the US Basel 3 Advanced approach will need to meet a minimum Supplementary Leverage Ratio of 4%. Furthermore, changes have been made to capture potential future exposures arising from off-balance sheet derivative contracts. DBTCA is not subject to the Supplementary Leverage Ratio.

The US Basel 3 capital rules define the leverage ratio as Tier 1 capital divided by average adjusted total assets (which includes adjustments to Tier 1 capital for goodwill and identifiable intangible assets). The US Basel 3 capital rules only take into account a banking organization's on-balance sheet assets when calculating average assets. The average adjusted total assets figure is found in the DBTCA FFIEC 031, Schedule RC-R Regulatory Capital. As described above, all US banking organizations are subject to a minimum 4% leverage ratio.

Cash at the central bank is a significant part of the assets in DBTCA. Leverage in DBTCA is driven by client cash deposits that exceed business assets.

The primary mechanism available to manage leverage is to direct client deposits to other DB entities, when permitted by regulations, where the cash can be utilized or to other short term investments (e.g. money market mutual funds or repurchase agreements). The lending of excess cash to other DB entities is restricted by Regulation W - Affiliate Transactions.

US Basel 3 Leverage Ratios

	31-Dec-15
in USD m.	US Basel 3
Average total consolidated assets as published in the FFIEC 031, Schedule RC-R Regulatory Capital	53,163
Less: Deductions from CET1 capital and additional tier 1 capital	(11)
Average adjusted total assets for Leverage Ratio	53,152

Credit Risk Adjustments

Overview of DBTCA Business Activities and Credit Risk Exposures

DBTCA's activities are limited to those permissible for a bank under federal and state law and consist primarily of: originating and acquiring loans and other forms of credit; accepting deposits; providing a broad range of financial advisory and asset management services; and trading currencies, fixed income securities, and derivatives.

DBTCA offers a wide variety of financial products and engages in the following activities:

- Loan origination and other forms of credit;
- Accepting deposits;
- Commercial banking and financial services, including trust services;
- Clearing activities;
- Currency transactions;
- Fiduciary transactions; and
- Custody transactions.

DBTCA makes investments in and enters into repurchase agreements with respect to U.S. Treasuries and New York State obligations and certain community development investments, subject to restrictions under applicable law. DBTCA is also a financial services business focused on transaction banking and providing wealth management services to select corporations, financial institutions, high net worth individuals and family offices.

Business divisions within DBTCA include:

- Global Transaction Banking ("GTB"): GTB provides commercial banking products and services for corporate and financial institutions worldwide, including domestic and cross-border payments, risk mitigation and financing of international trade. GTB also provides trust, agency, depository, custody and related services.
- Asset & Wealth Management ("AWM"): AWM offers individuals and institutions traditional and alternative investments across all major asset classes, including lending, deposit, investment management/trust, active investment management and custody services. It also provides tailored wealth management solutions and private banking services to high net worth individuals and family offices.
- Corporate Banking & Securities ("CB&S"): CB&S is principally the structured credit and leveraged loans business. This business is no longer origination new business in DBTCA.
- Non-Core Operations Unit ("NCOU"): NCOU is a de-risking unit composed largely of Commercial Real Estate ("CRE") loans.

The key businesses of DBTCA that operate through the above business divisions are Cash Management (Corporate and Financial Institutions) and Corporate Trust, which are conducted through GTB, and AWM Lending and Deposits, which is conducted through AWM.

Most of DBTCA's deposit activities are conducted through GTB and AWM and the majority of DBTCA's deposits are non-interest bearing. Through its core business line, Cash Management and AWM Lending and Deposits, DBTCA provides a number of deposit products to its customers that encompass a range of investment and tenor options.

Cash Management

Cash Management provides commercial banking products and services that deal with the management and processing of domestic and cross-border payments for both corporate clients and financial institutions. The services are broadly grouped into Payments and Receivables, Liquidity Management and Treasury. Cash Management is designed to optimize clients' payables and receivables and treasury management transactions, to improve working capital and to maximize liquidity.

Cash Management generally does not provide guarantees in the ordinary course of business or enter into any cross-guarantee, cross-collateral, cross-default or cross-affiliate netting arrangements. The business also does not have any contingent credit exposures or off-balance-sheet exposures. To the limited extent that these arrangements are entered into, if terminated or disrupted, these arrangements are not expected to negatively impact the funding and other aspects of Cash Management. Cash Management has an approved credit line with external customers for intraday and overnight overdraft exposures. Both intraday and overnight exposures are monitored in accordance with the DB Group's Credit Policy Framework.

Lending and Deposits

The AWM Lending and Deposits business line operates across several legal entities, including DBTCA.

Lending

Within DBTCA, the lending segment predominantly provides short-term liquidity solutions and multigenerational wealth planning strategies to high-net-worth individuals and their families. Credit offerings include residential real estate ("RRE"), commercial real estate ("CRE") and structured loans. The lending portion of AWM Lending and Deposits offers Standby Letters of Credit ("SBLC") for its clients. A SBLC is an irrevocable obligation issued by DBTCA to a third party on behalf of a client. If the client fails to meet the payment terms and conditions of the contractual agreement with the third party, the issuing bank is obligated to make payment to the third party. Since these SBLCs are effectively contingent liabilities based upon a potential default, they are considered off balance sheet items. Most SBLCs have a one year maturity date.

Deposits

The Deposits segment of DBTCA is a personalized suite of boutique products and services designed to help clients meet their personal, business and household cash needs. These products and services are designed to assist clients in simplifying their day-to-day finances and meet short-term liquidity and transaction needs, while offering return potential on uninvested capital. These include checking accounts, remote deposit capabilities, and bill payment services.

Measure of Financial Assets

Financial Assets and Liabilities

Loan Commitments

Certain loan commitments are classified as derivatives held for trading or designated at fair value through profit or loss under the fair value option. All other loan commitments remain off balance sheet. Therefore, the Group does not recognize and measure changes in fair value of these off-balance sheet loan commitments that result from changes in market interest rates or credit spreads. However, as specified in the discussion “Impairment of Loans and Provision for Off-Balance sheet positions”, these off-balance sheet loan commitments are assessed for impairment individually and where appropriate, collectively.

Loans

Loans include originated and purchased non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets Available for Sale (“AFS”).

Loans not acquired in a business combination or in an asset purchase are initially recognized at their transaction price representing the fair value, which is the cash amount advanced to the borrower. In addition, the net of direct and incremental transaction costs and fees are included in the initial carrying amount of loans. These loans are subsequently measured at amortized cost using the effective interest method less impairment.

Impairment of Loans and Provision for Off-Balance Sheet Positions

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

To allow management to determine whether a loss event has occurred on an individual basis, all significant counterparty relationships are reviewed periodically. This evaluation considers current information and events related to the counterparty, such as the counterparty experiencing significant financial difficulty or a breach of contract, for example, default or delinquency in interest or principal payments.

If there is evidence of impairment leading to an impairment loss for an individual counterparty relationship, then the amount of the loss is determined as the difference between the carrying amount of the loan(s), including accrued interest, and the present value of expected future cash flows discounted at the loan’s original effective interest rate or the effective interest rate established upon reclassification to loans, including cash flows that may result from foreclosure less costs for obtaining and selling the collateral. The carrying amount of the loans is reduced by the use of an allowance account and the amount of the loss is recognized as a component of the provision for credit losses.

The loss amount has three components. The first component is an amount for transfer and currency convertibility risks for loan exposures in countries where there are serious doubts about the ability of counterparties to comply with the repayment terms due to the economic or political situation prevailing in the respective country of domicile. This amount is calculated using ratings for country risk and transfer risk which are established and regularly reviewed for each country in which the Group does business. The second component is an allowance amount representing the incurred losses on the portfolio of smaller-balance homogeneous loans, which are loans to individuals and small business customers of the private and retail business. The loans are grouped according to similar credit risk characteristics and the allowance for each group is determined using statistical models based on historical experience. The third component represents an estimate of incurred losses inherent in the group of loans that have not yet been individually identified or measured as part of the smaller-balance homogeneous loans. Loans that were found not to be impaired when evaluated on an individual basis are included in the scope of this component of the allowance. Once a loan is identified as impaired, although the accrual of interest in accordance with the contractual terms of the loan is discontinued, the accretion of the net present value of the written down amount of the loan due to the passage of time is recognized as interest income based on the original effective interest rate of the loan.

At each balance sheet date, all impaired loans are reviewed for changes to the present value of expected future cash flows discounted at the loan's original effective interest rate. Any change to the previously recognized impairment loss is recognized as a change to the allowance account and recorded as a component of the provision for credit losses.

When it is considered that there is no realistic prospect of recovery and all collateral has been realized, the loan and any associated allowance is charged off (the loan and the related allowance are removed from the balance sheet). Individually significant loans where specific loan loss provisions are in place are evaluated at least quarterly on a case-by-case basis. For this category of loans, the number of days past due is an indicator for a charge-off but is not a determining factor. A charge-off will only take place after considering all relevant information, such as the occurrence of a significant change in the borrower's financial position such that the borrower can no longer pay the obligation, or the proceeds from the collateral are insufficient to completely satisfy the current carrying amount of the loan.

Use of Credit Risk Mitigation Techniques

Credit Risk Mitigation

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

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

Collateral Held as Security

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

We segregate collateral received into the following two types:

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

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

Risk Transfers

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

CPSG manages the residual credit risk of loans and lending-related commitments of the institutional and corporate credit portfolio and the leveraged portfolio within our Corporate Divisions of CB&S and GTB.

Acting as a central pricing reference, CPSG provides the respective CB&S and GTB Division businesses with an observed or derived capital market rate for loan applications; however, the decision of whether or not the business can enter into the credit risk remains exclusively with Credit Risk Management.

CPSG is concentrating on two primary objectives within the credit risk framework to enhance risk management discipline, improve returns and use capital more efficiently:

- to reduce single-name credit risk concentrations within the credit portfolio and
- to manage credit exposures by utilizing techniques including loan sales, securitization via collateralized loan obligations, default insurance coverage and single-name and portfolio credit default swaps

Netting and Collateral Arrangements for Derivatives and Securities Financing Transactions

Netting is applicable to over-the-counter (“OTC”) derivative transactions. Netting is also applied to securities financing transactions as far as documentation, structure and nature of the risk mitigation allow netting with the underlying credit risk.

In order to reduce the credit risk resulting from OTC derivative transactions, where CCP clearing is not available, we regularly seek the execution of standard master agreements (such as master agreements for derivatives published by the International Swaps and Derivatives Association, Inc. (ISDA) with our counterparts. A master agreement allows for the close-out netting of rights and obligations arising under derivative transactions that have been entered into under such a master agreement upon the counterparty’s default, resulting in a single net claim owed by or to the counterparty. For parts of the derivatives business (i.e., foreign exchange transactions) we also enter into master agreements under which payment netting applies in respect to transactions covered by such master agreements, reducing our settlement risk. In our risk measurement and risk assessment processes we apply close-out netting only to the extent we have satisfied ourselves of the legal validity and enforceability of the master agreement in all relevant jurisdictions.

Also, we enter into credit support annexes (“CSA”) to master agreements in order to further reduce our derivatives-related credit risk. These annexes generally provide risk mitigation through periodic, usually daily, and margining of the covered exposure. The CSAs also provide for the right to terminate the related derivative transactions upon the counterparty’s failure to honor a margin call. As with netting, when we believe the annex is enforceable, we reflect this in our exposure measurement.

Certain CSAs to master agreements provide for rating dependent triggers, where additional collateral must be pledged if a party’s rating is downgraded. We also enter into master agreements that provide for an additional termination event upon a party’s rating downgrade. These downgrading provisions in CSAs and master agreements usually apply to both parties but may also apply to us only. We analyze and monitor our potential contingent payment obligations resulting from a rating downgrade in our stress testing approach for liquidity risk on an ongoing basis.

Concentrations within Credit Risk Mitigation

Concentrations within credit risk mitigations taken may occur if a number of guarantors and credit derivative providers with similar economic characteristics are engaged in comparable activities with changes in economic or industry conditions affecting their ability to meet contractual obligations. We use a range of quantitative tools and metrics to monitor our credit risk mitigating activities. These also include monitoring of potential concentrations within collateral types supported by dedicated stress tests.

Regulatory Application of Credit Risk Mitigation Techniques

As described earlier in this document, DBTCA is not required to calculate standalone RWA based on the CRR/CRD 4, and as of December 31, 2015, it is not required to calculate RWA using US Basel 3 Advanced approach. However, DBTCA is required to maintain standalone capital adequacy pursuant to applicable FRB rules and regulations using the US Final Rule Standard approach capital framework. While the EU CRR/CRD 4 and US Final Rule Standardized approach regulatory frameworks differ in many aspects, the use of credit risk mitigants is recognized under both frameworks, although the FRB rules generally limit such credit mitigants to cash and securities collateral received against counterparty exposures, exposure netting pursuant to eligible netting agreements, and risk weight shifting as a result of certain recognized guarantees and purchase of protection via credit derivatives.

Credit Risk Exposures

The following tables set out the Credit Risk exposures for DBTCA as of December 31, 2015. All tables exclude inter-company transactions between DBTCA and its affiliates and are prepared on an IFRS basis, consistent with DBAG's disclosures.

Main credit exposure categories by geographical region

31-Dec-15									
in € m.	Loans	Irrevocable lending commitments	Contingent liabilities	Derivatives	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions	Total
Germany	57	3	3	0	0	0	0	0	63
Western Europe (excluding Germany)	296	0	0	0	0	0	0	0	296
thereof:									
Luxembourg	27	0	0	0	0	0	0	0	27
Netherlands	101	0	0	0	0	0	0	0	101
United Kingdom	5	0	0	0	0	0	0	0	5
Eastern Europe	19	0	0	0	0	0	0	0	20
North America	10,330	4,779	427	6	0	0	0	0	15,543
thereof:									
Canada	63	0	0	0	0	0	0	0	63
Cayman Islands	16	0	0	0	0	0	0	0	16
U.S.	10,234	4,779	427	6	0	0	0	0	15,447
Central and South America	2,093	0	6	0	0	0	0	0	2,099
thereof:									
Brazil	571	0	0	0	0	0	0	0	571
Mexico	10	0	0	0	0	0	0	0	10
Asia/Pacific	630	3	0	0	0	0	0	0	633
thereof:									
China	92	0	0	0	0	0	0	0	92
Japan	3	0	0	0	0	0	0	0	3
Africa	43	0	0	0	0	0	0	0	43
Other	19	2	0	0	0	0	0	0	21
Total	13,488	4,787	436	6	0	0	0	0	18,718

31-Dec-14									
in € m.	Loans	Irrevocable lending commitments	Contingent liabilities	Derivatives	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions	Total
Germany	83	4	0	0	0	0	0	0	87
Western Europe (excluding Germany)	226	5	0	0	0	0	0	0	231
thereof:									
France	130	0	0	0	0	0	0	0	130
Netherlands	33	5	0	0	0	0	0	0	38
United Kingdom	53	0	0	0	0	0	0	0	53
Eastern Europe	9	0	0	0	0	0	0	0	9
thereof:									
Russia	9	0	0	0	0	0	0	0	9
North America	8,568	7,014	619	5	31	0	0	0	16,237
thereof:									
Canada	1	0	0	0	0	0	0	0	1
Cayman Islands	9	0	0	0	0	0	0	0	9
U.S.	8,542	6,871	619	5	31	0	0	0	16,068
Central and South America	900	0	9	0	0	0	0	0	909
thereof:									
Brazil	78	0	0	0	0	0	0	0	78
Mexico	18	0	0	0	0	0	0	0	18
Asia/Pacific	96	2	0	0	0	0	0	0	98
Africa	85	0	0	0	0	0	0	0	85
Other	0	0	0	0	0	0	0	0	0
Total	9,967	7,025	628	5	31	0	0	0	17,656

Main credit exposure categories by industry sectors

31-Dec-15									
in € m.	Loans	Irrevocable lending commitments	Contingent liabilities	Derivatives	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions	Total
Financial intermediation	4,635	610	71	0	-	-	-	-	5,317
Fund management activities	46	4	-	-	0	-	-	-	50
Manufacturing	668	939	140	-	0	-	-	-	1,747
Wholesale and retail trade	178	379	21	-	0	-	-	-	578
Households	6,699	1,530	94	-	-	-	-	-	8,323
Commercial real estate activities	110	100	3	-	-	-	-	-	212
Public sector	-	3	-	-	-	-	-	-	3
Other	1,153	1,223	107	6	0	-	-	-	2,489
Total	13,488	4,787	436	6	0	-	-	-	18,718

31-Dec-14

in € m.	Loans	Irrevocable lending commitments	Contingent liabilities	Derivatives	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions	Total
Banks and insurance	1,245	15	9	-	-	-	-	-	1,269
Fund management activities	28	11	-	-	-	-	-	-	39
Manufacturing	446	1,227	150	-	0	-	-	-	1,823
Wholesale and retail trade	89	746	90	-	-	-	-	-	925
Households	5,890	1,375	82	-	-	-	-	-	7,347
Commercial real estate activities	243	385	18	-	1	-	-	-	647
Public sector	-	2	-	-	-	-	0	-	2
Other	2,026	3,264	279	5	30	-	-	-	5,604
Total	9,967	7,025	628	5	31	-	0	-	17,656

Residual contract maturity profile of the main credit exposure categories

31-Dec-15

in € m.	Loans	Irrevocable lending commitments	Contingent liabilities	Derivatives	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions	Total
< 1 year	6,014	1,170	436	6	0	-	-	-	7,627
1 year – 5 years	5,568	2,475	-	-	-	-	-	-	8,043
> 5 years	1,907	1,142	-	-	-	-	-	-	3,049
Total credit risk exposure	13,488	4,787	436	6	0	-	-	-	18,718

31-Dec-14

in € m.	Loans	Irrevocable lending commitments	Contingent liabilities	Derivatives	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions	Total
< 1 year	3,736	2,192	628	5	31	-	-	-	6,592
1 year – 5 years	4,854	3,457	-	-	-	-	-	-	8,311
> 5 years	1,377	1,376	-	-	-	-	-	-	2,753
Total credit risk exposure	9,967	7,025	628	5	31	-	-	-	17,656

Average credit risk exposure held over the four quarters

31-Dec-15

	Loans	Irrevocable lending commitments	Contingent liabilities	Derivatives	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions	Total
Total average credit risk exposure	12,623	5,441	549	6	8	(0)	0	-	18,627
Total credit risk exposure at year-end	13,488	4,787	436	6	0	(0)	0	-	18,717

31-Dec-14

	Loans	Irrevocable lending commitments	Contingent liabilities	Derivatives	Traded Loans	Traded Bonds	Debt securities available for sale	Repo and repo-style transactions	Total
Total average credit risk exposure	10,727	6,763	1,278	5	56	-	2	0	18,831
Total credit risk exposure at year-end	9,965	7,025	628	5	31	0	0	-	17,656

Asset Quality

Past Due Loans

Loans are considered to be past due if contractually agreed payments of principal and/or interest remain unpaid by the borrower, except if those loans are acquired through consolidation. The latter are considered to be past due if payments of principal and/or interest, which were expected at a certain payment date at the time of the initial consolidation of the loans, are unpaid by the borrower.

Impaired Loans

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

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

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

Impairment Loss and Allowance for Loan Losses

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

While we assess the impairment for our corporate credit exposures individually, we assess the impairment of our smaller-balance standardized homogeneous loans collectively.

Our collectively assessed allowance for non-impaired loans reflects allowances to cover for incurred losses that have neither been individually identified nor provided for as part of the impairment assessment of smaller-balance homogeneous loans.

Renegotiated Loans and Forbearances

For economic or legal reasons we might enter into a forbearance agreement with a borrower who faces or will face financial difficulties in order to ease the contractual obligation for a limited period of time. A case by case approach is applied for our corporate clients considering each transaction and client specific facts and circumstances. For consumer loans we offer forbearances for a limited period of time, in which the total or partial outstanding or future installments are deferred to a later point of time. However, the amount not paid including accrued interest during this period must be re-compensated at a later point of time. Repayment options include distribution over residual

tenor, a one-off payment or a tenor extension. Forbearances are restricted and depending on the economic situation of the client, our risk management strategies and the local legislation. In case of a forbearance agreement is entered into, an impairment measurement is conducted as described below, an impairment charge is taken if necessary and the loan is subsequently recorded as impaired.

Loans that have been renegotiated in such a way that, for economic or legal reasons related to the borrower's financial difficulties, we granted a concession to the borrower that we would not otherwise have considered are disclosed as renegotiated loans and are a subset of forbore loans.

Impairment Balances

The following tables set out the impairments for DBTCA as of December 31, 2014. All tables exclude inter-company transactions between DBTCA and its affiliates and are prepared on an IFRS basis, consistent with DBAG's disclosures

Impaired loans, allowance for loan losses and coverage ratio by business division

	31-Dec-15			31-Dec-14			Change	
	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Impaired loan coverage ratio in %
Corporate Banking & Securities	30	16	53	1	8	800	29	(747)
Private & Business Clients	0	0	N/M	0	0	N/M	0	N/M
Global Transaction Banking	0	0	N/M	0	1	N/M	0	N/M
Deutsche Asset & Wealth Management	42	7	17	35	12	34	7	(18)
Non-Core Operations Unit	0	0	N/M	47	20	43	(47)	(43)
thereof: assets reclassified to loans and receivables according to IAS 39	0	0	N/M	41	20	49	(41)	(49)
Total	72	23	32	83	41	49	(11)	(17)

	31-Dec-14			31-Dec-13			Change	
	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Impaired loan coverage ratio in %
Corporate Banking & Securities	1	8	800	36	27	75	(35)	725
Private & Business Clients	0	0	N/M	0	0	N/M	0	N/M
Global Transaction Banking	0	1	N/M	0	1	N/M	0	N/M
Deutsche Asset & Wealth Management	35	12	34	75	12	16	(40)	18
Non-Core Operations Unit	47	20	43	42	21	50	5	(7)
thereof: assets reclassified to loans and receivables according to IAS 39	41	20	49	36	21	58	5	(10)
Total	83	41	49	153	61	40	(70)	10

N/M Not meaningful

Impaired loans, allowance for loan losses and coverage ratios by industry

	Impaired Loans			Loan loss allowance				31-Dec-15 Change	
	Individually assessed	Collectively assessed	Total	Individually assessed allowance	Collectively assessed allowance for impaired loans	Collectively assessed allowance for non-impaired loans	Total	Impaired loan coverage ratio in %	
Banks and insurance	0	0	0	0	0	0	0	0	
Fund management activities	0	0	0	0	0	0	0	0	
Manufacturing	0	0	0	0	0	0	0	0	
Wholesale and retail trade	0	0	0	0	0	0	0	0	
Households	11	0	11	0	0	0	0	0	
Commercial real estate activities	61	0	61	23	0	21	44	72	
Public sector	0	0	0	0	0	0	0	0	
Other	0	0	0	0	0	0	0	0	
Total	72	0	72	23	0	21	44	61	

	Impaired Loans			Loan loss allowance				31-Dec-14 Change	
	Individually assessed	Collectively assessed	Total	Individually assessed allowance	Collectively assessed allowance for impaired loans	Collectively assessed allowance for non-impaired loans	Total	Impaired loan coverage ratio in %	
Banks and insurance	0	0	0	0	0	0	0	0	
Fund management activities	0	0	0	0	0	0	0	0	
Manufacturing	0	0	0	0	0	1	1	0	
Wholesale and retail trade	0	0	0	0	0	1	1	0	
Households	33	0	33	1	0	10	11	33	
Commercial real estate activities	49	0	49	20	0	0	20	0	
Public sector	0	0	0	0	0	0	0	0	
Other	1	0	1	0	0	8	8	800	
Total	83	0	83	21	0	20	41	49	

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

	Impaired Loans			Loan loss allowance				31-Dec-15
	Individually assessed	Collectively assessed	Total	Individually assessed allowance	Collectively assessed allowance for impaired loans	Collectively assessed allowance for non-impaired loans	Total	Change
Banks and insurance	0	0	0	0	0	0	0	0
Fund management activities	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0
Wholesale and retail trade	0	0	0	0	0	0	0	0
Households	11	0	11	0	0	0	0	0
Commercial real estate activities	61	0	61	23	0	21	44	72
Public sector	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total	72	0	72	23	0	21	44	61

	Impaired Loans			Loan loss allowance				31-Dec-14
	Individually assessed	Collectively assessed	Total	Individually assessed allowance	Collectively assessed allowance for impaired loans	Collectively assessed allowance for non-impaired loans	Total	Change
Banks and insurance	0	0	0	0	0	0	0	0
Fund management activities	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	1	1	0
Wholesale and retail trade	0	0	0	0	0	1	1	0
Households	33	0	33	1	0	10	11	33
Commercial real estate activities	49	0	49	20	0	0	20	0
Public sector	0	0	0	0	0	0	0	0
Other	1	0	1	0	0	8	8	800
Total	83	0	83	21	0	20	41	49

Development of impaired loans

	Dec 31, 2015			Dec 31, 2014		
	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Balance, beginning of year	83	0	83	153	-	153
Classified as impaired during the year	64	0	64	14	-	14
Transferred to not impaired during the year	(11)	0	(11)	(11)	-	(11)
Charge-offs	0	0	0	47	-	47
Disposals of impaired loans	(48)	0	(48)	(32)	-	(32)
Exchange rate and other movements	(16)	0	(16)	6	-	6
Balance, end of year	72	0	72	83	-	83

Impaired loans, provision for loan losses and recoveries by industry

	31-Dec-15	12 months ending		31-Dec-15	31-Dec-14	12 months ending		31-Dec-14
	Total impaired loans	Provision for loan losses before recoveries	Recoveries	Total impaired loans	Provision for loan losses before recoveries	Recoveries		
Banks and insurances	0	0	0	0	0	0		
Fund management activities	0	0	0	0	0	0		
Manufacturing	0	0	0	0	1	0		
Wholesale and retail trade	0	0	0	0	1	0		
Households	11	0	0	33	11	0		
Commercial real estate activities	61	23	6	49	20	0		
Public sector	0	0	0	0	0	0		
Other	0	0	0	1	8	0		
Total	72	23	6	83	41	0		

	31-Dec-14	12 months ending		31-Dec-14	31-Dec-13	12 months ending		31-Dec-13
	Total impaired loans	Provision for loan losses before recoveries	Recoveries	Total impaired loans	Provision for loan losses before recoveries	Recoveries		
Banks and insurances	0	0	0	0	1	0		
Fund management activities	0	0	0	0	0	0		
Manufacturing	0	1	0	0	1	0		
Wholesale and retail trade	0	1	0	0	1	0		
Households	33	11	0	74	9	0		
Commercial real estate activities	49	20	0	43	22	0		
Public sector	0	0	0	0	0	0		
Other	1	8	0	36	27	3		
Total	83	41	0	153	61	3		

Compensation Overview and Disclosure

Executive Summary

DB Group (the “Bank”) generally implements its compensation policies on a group-wide basis, so that the compensation policies applicable to DBTCA employees are those of DB Group, which are described below.

DBTCA had a total of 737 employees as of December 31, 2015, and its total compensation expenses were € 158 million for 2015. The total 2015 Variable Compensation (“VC”) for employees in DBTCA was € 49 million.

The Bank remains committed to align compensation with the long-term performance of the institution. Against this background, the proportion of VC which will be paid or delivered at a later stage remains high.

In light of the negative result of Deutsche Bank AG for 2015, the VC for 2015 was also granted with a view to ensuring stability of the franchise and with the expectation of a positive and sustainable development over the next years. Against this background, it was important to the Bank that this expectation is also reflected in the structure of the VC. The Bank therefore decided to take additional steps towards an alignment between VC and a sustainable performance by increasing the minimum deferral period for the deferred compensation elements from three to four years for all employees receiving deferred compensation elements. Additionally, the retention period for equity upfront compensation elements for MRTs was increased to one year. These measures are accompanied by the introduction of strengthened methods for an ex post risk adjustment of VC which allow for a subsequent decrease or complete elimination of VC.

With the aim to ensure that the Bank’s approach to compensation remains aligned to its multi-year objectives under Strategy 2020, the Bank has also implemented a new compensation structure for 2016 onwards (the New Compensation Framework). This new structure places stronger emphasis on fixed compensation as well as a closer and more transparent link between the overall Group performance and individual VC decisions.

Compensation Strategy

Compensation plays an integral role in the successful delivery of Deutsche Bank’s strategic objectives. The Group Compensation Strategy is predicated on supporting a global, client-centric banking model with safe and sound compensation practices that operate within the Bank’s capital, liquidity and risk-bearing capacity, and in alignment with the Bank’s strategic objectives and its stated values and beliefs.

Five key objectives of our compensation practices

- To support the delivery of Deutsche Bank’s client-focused, global bank strategy by attracting and retaining talent across the range of diverse business models and across numerous country locations
- To support the long term performance of the Bank, the sustainable development of the institution and the risk strategies that derive from this
- To support long-term performance that is predicated on cost discipline and efficiency
- To ensure that the Bank’s compensation practices are safe in terms of risk-adjusting performance outcomes, preventing inappropriate risk taking, ensuring compatibility with capital and liquidity planning and complying with regulation
- To underscore the Bank’s stated values of integrity, sustainable performance, client centricity, innovation, discipline and partnership

Core remuneration principles

- Align compensation to shareholder interests and sustained firm-wide profitability, taking account of risk and the cost of capital
- Maximize sustainable employee and firm performance
- Attract and retaining the best talent
- Calibrate compensation to different divisions and levels of responsibility
- Apply a simple and transparent compensation design
- Ensure compliance with regulatory requirements

The Group Compensation Policy is an internal document focused on informing and educating employees with regard to the Bank's compensation strategy, governance processes as well as compensation practices and structures. Together, the Group Compensation Strategy and the Group Compensation Policy, provide a clear and demonstrable link between compensation practices and the wider Group strategy. Both documents have been published on the Bank's intranet site and are available to all employees.

Regulatory Compliance

Ensuring compliance with regulatory requirements is an overriding consideration in the Bank's Group Compensation Strategy. The Bank has strived to be at the forefront of compensation regulatory changes and will continue to work with its 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 CRD 4 requirements, as translated into German national law in the German Banking Act and InstVV, globally. The Bank adopted the rules for all subsidiaries and branches globally to the extent required in accordance with Sec. 27 InstVV. The Bank also identifies all employees whose work is deemed to have a material impact on the overall risk profile ("Material Risk Takers" or "MRTs") in accordance with the InstVV. MRTs are identified on a Group level and also on a single legal entity level for significant institutions in the meaning of Sec. 17 InstVV.

Pursuant to CRD 4 and the requirements subsequently adopted in the German Banking Act, the Bank is subject to a ratio of 1:1 with regard to fixed to variable components, provided that the shareholders may approve an increase to 1:2. At the Bank's Annual General Meeting on May 22, 2014, and in accordance with Sec. 25a (5) German Banking Act, shareholder approval was granted to increase the ratio to 1:2. To emphasize the fixed compensation component in respect of remuneration for control functions employees, the Management Board has determined that individuals within the independent control functions are subject to a 1:1 ratio.

As a result of sector specific legislation and in accordance with the InstVV, certain Asset and Wealth Management subsidiaries specifically managing alternative investments are governed under the Alternative Investments Fund Managers Directive ("AIFMD"). AIFMD contains provisions on remuneration which outline the rules that Alternative Investment Fund Managers ("AIFMs") have to comply with when establishing and applying the remuneration policies for certain categories of their employees. AIFMD Material Risk Takers are to be identified at the AIFM level. One notable difference to CRD 4 and its implementation in German law is that AIFMD Material Risk Takers are not subject to the fixed to variable ratio stipulated in CRD 4. The Bank also identifies AIFMD Material Risk Takers for Alternative Investment Fund Managers in accordance with AIFMD. The Bank applies the remuneration provisions for InstVV MRTs also to AIFMD MRTs except for the 1:2 ratio with regard to fixed to variable components.

The Bank will continue to closely monitor the regulatory environment. Major regulatory developments for 2016 include the adoption of the Undertakings for Collective Investments in Transferable Securities ("UCITS") Directive and the expected revision of the InstVV in light of the publication of the "Guidelines on sound remuneration policies" by the European Banking Authority in December 2015.

Total Compensation Structure

As part of the Compensation Strategy, the Bank employs a Total Compensation philosophy, which comprises Fixed Pay (FP) and Variable Compensation (VC).

Element	Description
Fixed Pay (FP)	<p>FP is used to compensate employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role. For the majority of Deutsche Bank employees, FP is the primary compensation component, and the share of fixed compensation within Total Compensation is far greater than 50 %. This is appropriate to many businesses and will continue to be a significant feature of Total Compensation going forward.</p> <p>As part of their fixed compensation, a limited number of employees receive an Additional Fixed Pay Supplement (AFPS). The AFPS was introduced primarily for benefits and pensions cost management purposes.</p>
Variable Compensation (VC)	<p>VC is predicated on the industry objective of retaining cost flexibility while attracting and retaining the right talent. VC also has the advantage of being able to differentiate performance outcomes and drive behaviours through appropriate incentive systems that can also positively influence culture. As a result, VC is a key feature of market practice compensation in many business lines in the banking environment globally. Combined with FP, this drives Total Compensation outcomes that are cost effective, flexible and aligned to performance.</p>
Benefits&Pensions	<p>In accordance with the respective local market practice, requirements and demands, the Bank also grants benefits (including company pension schemes) that are linked to employment with the Bank, to certain seniority or to certain length of service but that have no direct link to performance.</p>

Compensation approach for 2016 onwards: Outlook on the New Compensation Framework

One of the main objectives of Strategy 2020 is to align reward more closely with performance and conduct. In order to achieve this goal, the Bank has assessed its compensation approach over the course of 2015 and, in 2016, has started putting in place a New Compensation Framework that is designed to align pay more closely with sustainable performance at all levels of the Bank by rebalancing fixed and variable remuneration elements and providing for a closer link between VC and the Bank-wide performance. The New Compensation Framework provides guidance on the target proportion of fixed to variable compensation elements by seniority and by division or function.

In addition, variable remuneration from 2016 onwards is intended to include two components. The first, the group component, reflects the performance of Deutsche Bank, tying individual Total Compensation more closely to the Bank's performance and recognizing the contribution of every single employee to the Bank's results. The second, the individual component, is more discretionary and recognises individual performance in the context of divisional performance.

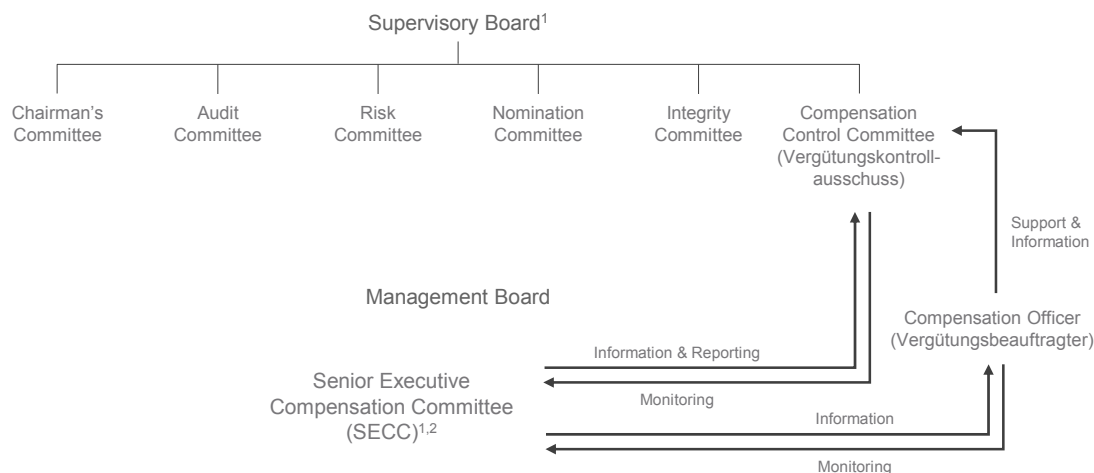
Compensation Governance

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 accordance with InstVV.

Our robust governance structure enables us to operate within the clear parameters of our Compensation Strategy and Compensation Policy. All compensation matters, and overall compliance with regulatory requirements, are overseen by the key committees that form the global Reward Governance Structure.

Reward Governance Structure

(based on Sec. 25d (12) German Banking Act and InstVV)



¹ Optional: Independent external consultants

² The relevant tasks are performed by the SECC on behalf of the Management Board

Compensation Control Committee

The Compensation Control Committee (CCC) was established by the Supervisory Board in accordance with Sec. 25d (12) German Banking Act. It consists of the Chairperson of the Supervisory Board and three further Supervisory Board Members, two from among the employee representatives, and had 10 meetings in the calendar year 2015, two of them being joint meetings with the Risk Committee.

The responsibilities of the CCC includes supporting the Supervisory Board in establishing and monitoring the appropriate 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 appropriate structure 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 VC is appropriate 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 whether the internal controls and the other relevant areas are properly involved in the structuring of the compensation systems.

Compensation Officer

In accordance with Sec. 23 InstVV, the Management Board, in cooperation with the CCC, has appointed a Compensation Officer. The Compensation Officer supports the Supervisory Board and the CCC in performing their duties relating to all compensation systems and cooperates closely with the Chairperson of the CCC. The Compensation Officer is involved in the conceptual review, development, monitoring and the application of the employee's compensation systems on an ongoing basis.

The Compensation Officer performs his monitoring obligations independently and provides an assessment on the appropriateness of the design and practices of the compensation systems for employees to the Management Board, the Supervisory Board and the CCC at least annually.

Senior Executive Compensation Committee

The Senior Executive Compensation Committee (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. In accordance with its mandate the SECC establishes compensation strategy, policy and guiding principles and coordinates compensation decisions. The SECC establishes quantitative and qualitative factors to assess performance as a basis for compensation related decisions and makes appropriate recommendations to the Management Board regarding the annual VC pool and its allocation across the business divisions and infrastructure functions. Additional committees, as delegated bodies of the SECC, are an integral part of the overall governance structure; the inclusion of these committees is designed to ensure that diversified expertise from multiple stakeholders is taken into consideration when making compensation decisions and applying compensation practices.

In order to maintain its independence, only employees from control functions who are not aligned to any of our business divisions are members of the SECC. During 2015, the SECC saw a number of membership changes, in line with the membership changes of the Management Board. From November 2015, the SECC comprises the Chief Administration Officer and the Chief Financial Officer, also Members of the Management Board, as Co-Chairpersons, as well as the Chief Risk Officer (also a Management Board Member), the Global Head of Human Resources and an additional Finance representative as Voting Members. The Compensation Officer, the Deputy Compensation Officer and the Global Head of Reward are Non-Voting Members. The SECC generally meets on a monthly basis and it had 21 meetings with regard to the performance year 2015 compensation process.

Determination of Variable Compensation – Methodology

The Bank has a robust methodology in place to ensure that the determination of VC reflects risk-adjusted performance as well as the capital position of the Bank and its divisions. The ultimate Group VC pool is primarily driven by (i) Group affordability (i.e. what “can” the Bank award in alignment with regulatory requirements) and (ii) Group strategy (what “should” the Bank award in order to provide an appropriate compensation while protecting the long-term health of the franchise).

Parameter	Description
Group affordability	Group affordability is assessed, as a first step, to determine if the Bank is in a position to award VC and still meet the liquidity and capital requirements. Group affordability is the overriding consideration of the VC pool decisions. The metrics used are linked to the Bank’s Risk Appetite Framework and include, but are not limited to, Common Equity Tier 1 Ratio (CET 1 Ratio), Economic Capital Adequacy Ratio, Leverage Ratio, Stressed Net Liquidity and Basel III Liquidity Coverage Ratio, as well as to the Bank’s “negative results test” (which was first defined for the 2015 performance year).

Risk-adjusted performance	Having assessed Group affordability, risk-adjusted performance is the starting point of VC pool determination.
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The Bank uses economic capital (EC) scaled to align with the Bank’s forward looking unexpected losses to risk-adjust the VC pools across the divisions. The EC model is the Bank’s primary method for calculating the degree of future potential risk to which the Bank may be exposed and measures the amount of capital that the Bank would need in order to absorb very severe unexpected losses arising from the Bank’s exposures. The risk adjustment takes into account credit, market, operational and business risk. The EC charge increases in case of an increase of the risk profile of the Bank, thereby reducing Bank-wide economic profitability and, by extension, the amount of VC awarded.

As part of the range of considerations, the SECC compares and contrasts the view of actual performance through this formulaic VC pool calculation with a view of VC pools aligned with underlying performance and other factors such as:

- **Group & Divisional Key Performance Indicators (KPIs):** Both Group and divisional scorecards, which consolidate a consistent set of financial and non-financial KPIs, provided by control functions, are used to assess performance against targets.
- **Qualitative risk and regulatory assessments:** The VC pool decision must be sustainable and, as such, items such as new regulatory matters and pending litigation, overdue audit findings and Risk Red Flag scores are key considerations in the VC determination process.
- **Relative performance:** Both Group and divisional performance is assessed in the context of performance vis-à-vis defined peers.
- **Market position and trends:** Environmental factors, market data and market trends, including benchmarking data on various elements of compensation, as well as information on developing pay practices, are used to support fair, competitive and cost-effective compensation decisions.
- **Infrastructure pools:** Infrastructure VC pools are not dependent on the performance of the division(s) they oversee, but are aligned with divisional or functional bonus builds and overall Group affordability. As stated above, performance against key strategic infrastructure indicators is also carefully considered.
- **Payout Rates:** Appropriate payout rates are applied to each business division with reference to historical payout rates and market context.

Ultimate VC pool decision	The SECC recommends the derived Group VC pool to the Management Board for formal ratification. Taking all the factors into account, in careful assessment of additional considerations discretion may also be exercised, for example where strategic investments require time to contribute to performance, where one-off business or market dynamics are expected to reverse or in the context of relevant strategic factors, especially under employee retention and franchise protection or strengthening considerations.
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After ratification, the Compensation Control Committee is formally notified.

Consideration of Individual Performance

While individual VC decisions are discretionary, all decisions must be performance-based and linked to a number of factors, including, but not limited to, risk-adjusted Group, divisional and individual performance as well as retention considerations and behavioural aspects. Managers, when exercising discretion, must fully understand both the absolute and relative risk-taking activities of individuals to ensure that VC allocations are balanced and risk-taking is not inappropriately incentivized.

This applies, in particular, to managers of MRTs who are required to attest that they have thoroughly reviewed and considered all of the relevant financial, non-financial and risk metrics when determining individual compensation. In addition, narrative commentary is also required to articulate how the compensation parameters (both quantitative and qualitative) and the individual's performance and behavioural factors have influenced the ultimate compensation decision. Inputs (both positive and negative) from internal control functions were collected on MRTs and provided to managers. These inputs were intended to ensure an appropriate impact on decisions with regard to the employees' performance assessment, promotion potential and VC.

Variable Compensation Structure and Vehicles

VC has been used by the Bank for many years to incentivize, reward and retain strong performing employees and thereby differentiate Total Compensation outcomes.

The compensation structures are designed not to provide incentives for excessive risk-taking. Against this background, the Bank chose to go beyond the regulatory requirements as in previous years, aligning the VC of an even broader group of employees to the long-term performance of the Bank. Furthermore, MRTs are on average subject to deferral rates in excess of the minimum 40 % - 60 % regulatory requirements. Additionally, the Bank has decided to increase the minimum deferral period for all employees receiving deferred VC to four years. These compensation structures aim to ensure that the alignment of the VC to the sustainable performance of the Group increases with the level of responsibility and the overall compensation.

<u>Employee Group</u>	<u>Description</u>	<u>Impact on Variable Compensation</u>
Material Risk Takers	The Bank identifies all employees whose work is deemed to have a material impact on the overall risk profile in accordance with the InstVV. InstVV MRTs are identified for the whole Group on a Group level but also on a single legal entity level for the significant institutions in the meaning of Sec. 17 InstVV. In addition to Deutsche Bank AG, 18 other legal entities in Deutsche Bank Group (excl. Postbank) fall under the criteria of Sec. 17 InstVV and are therefore deemed to be significant.	At least 40 %-60 % of the VC is deferred for four years on a pro rata vesting schedule. All MRTs receive 50 % in restricted equity and 50 % in restricted cash. In addition, 50 % of the upfront VC award is also awarded in equity. 100 % of any VC above € 500,000 is fully deferred. Furthermore, employees with a FP in excess of € 500,000 are subject to a 100 % VC deferral. In accordance with respective guidance provided by the BaFin, these requirements do not apply for MRTs whose VC is less than € 50,000.
Senior Management Group ("SMG")	As the significant influencers and stewards of the Bank's long-term health and performance, it is prudent that the majority of their compensation should be linked to the long-term development and success of the Group. All members of the Senior Management Group are MRTs.	To further align the compensation of this group with the long-term, sustained performance of the Bank, the deferred equity awards are subject to a combined deferral and retention period of five years ("cliff-vesting").
All other employees	All employees are subject to the Bank's deferral matrix. The deferral matrix continues to be geared towards protecting lower earners, whilst ensuring an appropriate amount of deferral for higher earners.	The deferral threshold is set at € 100,000 above which at least 50 % of any VC was deferred. 50 % of the deferred VC is received in restricted cash and 50 % in restricted equity.

The overall benefits of deferred awards and the positive aspects from a retention and risk management perspective must also be carefully balanced with the management of compensation costs for future years and the implications of increasing levels of deferral. Reflecting what the Bank deems to be an appropriate balance, 49 % of the overall Group VC pool for 2015 is paid or delivered later than March 2016.

Overview on Award Types

Award Type	Description	Beneficiaries	Deferral Period	Retention Period	Proportion
Cash Bonus	Upfront cash proportion	All employees ²	n/a	n/a	50 % of upfront (non-deferred) compensation for InstVV MRTs 100% of upfront (non-deferred) compensation for all other employees
Equity Upfront Award ("EUA")	Upfront equity proportion; The value of the EUA is linked to the Bank's share price and is therefore tied to the long-term sustained performance of the Bank	All MRTs ² with VC \geq € 50,000	n/a	12 months (increased from 6 months in 2014)	50 % of upfront (non-deferred) compensation for MRTs
Restricted Incentive Award ("RIA") ³	Non-equity based portion (deferred cash compensation)	All employees with deferred VC	Pro rata vesting over four years (increased from three years in 2014)	n/a	50 % of deferred compensation
Restricted Equity Award ("REA") ⁴	Deferred equity portion; The value of the REA is linked to the Bank's share price over the vesting and retention period and is therefore tied to the long-term sustained performance of the Bank	All employees with deferred VC	Pro rata vesting over four years (increased from three years in 2014); Cliff-vesting after 4.5 years for SMG	6 months for MRTs	50 % of deferred compensation
Key Position Award ("KPA")	Specific deferred equity award for selected employees who are deemed to be key contributors in the achievement of Strategy 2020	Selected employees	Cliff-vesting after four years	1 year	n/a

¹ All equity awards for MRTs are subject to a retention period upon the vesting of each tranche during which time employees are not permitted to sell their shares.

² Employees with a Fixed Pay of more than € 500,000 are subject to a 100 % VC deferral and receive no upfront VC.

³ A limited number of senior employees/MRTs in our Deutsche AWM division received a portion of their deferred award in the form of an Employee Investment Plan (EIP) Award. These are cash settled awards based on the value of funds managed by the business. Deferral and forfeiture provisions under the EIP remain the same as all other awards. These employees still receive 50 % of their deferred award in equity (as a REA) as required by regulation.

⁴ Employees in the Private Client Services ("PCS") business of Deutsche AWM receive a PCS award instead of REA.

Overview on 2015 Deferral Schedule

	Award Type	2016		2017		2018		2019		2020		2021
		Mar	Sep	Mar	Sep	Mar	Sep	Mar	Sep	Mar	Sep	Mar
Senior Management Group	Cash Bonus	Payment										
	EUA	Vesting		Delivery								
	RIA			1/4 Vesting & Payment		1/4 Vesting & Payment		1/4 Vesting & Payment		1/4 Vesting & Payment		
	REA										Cliff-Vesting	Delivery
	KPA										Cliff-Vesting	Delivery
All other Material Risk Takers	Cash Bonus	Payment										
	EUA	Vesting		Delivery								
	RIA			1/4 Vesting & Payment		1/4 Vesting & Payment		1/4 Vesting & Payment		1/4 Vesting & Payment		
	REA			1/4 Vesting	Delivery	1/4 Vesting	Delivery	1/4 Vesting	Delivery	1/4 Vesting	Delivery	
	KPA										Cliff-Vesting	Delivery
All other employees	Cash Bonus	Payment										
	RIA			1/4 Vesting & Payment		1/4 Vesting & Payment		1/4 Vesting & Payment		1/4 Vesting & Payment		
	REA			1/4 Vesting & Delivery		1/4 Vesting & Delivery		1/4 Vesting & Delivery		1/4 Vesting & Delivery		
	KPA										Cliff-Vesting	Delivery

Ex post Risk Adjustment of Variable Compensation

Performance conditions and forfeiture provisions are key elements of the Bank's deferred compensation structures and support the alignment of awards with future conduct and performance while also allowing for an appropriate back-testing of the initial performance assessment. As illustrated by the statistics in this report, the percentage of VC awards subject to deferral, and therefore performance conditions and forfeiture provisions, increases in line with Total Compensation. In conjunction with the scope of the risk adjustment measures, the duration for which they are applicable is equally important and is reflected in the application of such conditions up to the settlement of awards.

The VC decisions for 2015 were accompanied by the decision to increase the ability to apply measures for an appropriate ex post risk adjustment. Increasing the minimum deferral period to four years allows for the application of an ex post risk adjustment for a longer timeframe. Additionally, to underpin the importance of an appropriate ex post risk adjustment, the Bank reviewed and chose to further strengthen its performance conditions and forfeiture provisions.

Overview on Performance Conditions and Forfeiture Provisions of Variable Compensation for 2015

Performance Conditions and Forfeiture Provisions	Description	Material Risk Takers			Other employees with Deferred Awards	
		EUA	REA/ KPA	RIA	REA/ KPA	RIA
Group's Common Equity Tier 1 capital ratio performance condition	If at the quarter end prior to vesting or settlement the Group's CET1 ratio is below a certain threshold	Whole undelivered award will be forfeited	All undelivered tranches will be forfeited		All undelivered tranches will be forfeited	
Negative Group IBIT performance condition	If, in any financial year during the vesting period, the Management Board determines that prior to delivery Group Income before Income Taxes (IBIT) is negative		Next tranche due for delivery will be forfeited*	Next tranche due for delivery will be forfeited	Next tranche due for delivery will be forfeited*	
Negative Divisional IBIT performance condition	If, in any financial year during the vesting period, the Management Board determines that prior to delivery Divisional Income before Income Taxes (IBIT) is negative, even if Group IBIT condition is met (Divisional IBIT condition is not applicable for employees in Regional Management, Infrastructure and NCOU)		Next tranche due for delivery will be forfeited*	Next tranche due for delivery will be forfeited		
Impairment provision	In the event that it is discovered that the award (or the grant, vesting or settlement of any other award made to the participant) was based on performance measures or assumptions that are later deemed to be materially inaccurate or if a deal, trade or transaction considered to be attributable to an employee has a significant adverse effect on any Group entity, division or the Group as a whole	Up to 100 % of undelivered awards will be forfeited				
Policy / Regulatory Breach provision	In the event of a discovery of an internal policy or procedure breach, or breach of any applicable laws or regulations imposed externally prior to settlement	Up to 100 % of undelivered awards will be forfeited				
Material Control Failure	If a Material Control Failure occurs, whether arising by act or omission (or series of acts or omissions), which is considered to be attributable to the Participant (whether in whole or in part, directly or indirectly, in a supervisory or managerial capacity, as a member of a committee or panel or otherwise)	Up to 100 % of undelivered awards will be forfeited				
Regulatory Requirements	If forfeiture is required to comply with prevailing regulatory requirements (which, for the avoidance of doubt, includes any legislation or guidance published by a regulator from time to time)	Up to 100 % of undelivered awards will be forfeited				

* For the award types subject to a cliff-vesting, a certain proportion of the award (20 % for REAs of the SMG, 25 % for KPAs) will be forfeited in respect of a year, if the IBIT is negative for that respective year.

With respect to deferred awards scheduled to be delivered in the first quarter of 2016, the Management Board has confirmed that the performance conditions relating to Group-wide and divisional IBIT for the Financial Year 2015 have been met. In exercising its discretion to make this determination, the Management Board recognized the unique circumstances that the Bank's loss for the Financial Year 2015 reflects strategic decisions, adjustments for goodwill impairments and business restructuring costs. Consequently, deferred awards are delivered as planned in the first quarter in 2016.

Compensation Disclosure pursuant to Section 16 InstVV and Art. 450 CRR

116 employees were identified as InstVV Material Risk Takers (MRTs) for FY 2015 for DBTCA. The collective remuneration elements for InstVV MRTs are detailed in the tables below in accordance with Sec. 16 InstVV and Art. 450 CRR. InstVV MRTs for DBTCA that receive their compensation from other companies of the DB Group are included with the compensation received by these companies.

Aggregate remuneration for Material Risk Takers

in € m. (unless stated otherwise) ¹	Senior Management ²	Supervisory Function ³	Further MRTs					2015
			CB&S	PBC	GTB	Deutsche AWM	NCOU	Group Total
Number of employees	19	5	26	2	16	47	1	116
Total Pay	71	N/M	43	2	11	48	1	177
thereof:								
Fixed Pay	34	N/M	24	1	6	22	0	89
Variable Pay	37	N/M	19	1	5	26	0	88
Variable Pay⁴	37	N/M	19	1	5	26	0	88
thereof:								
Variable in cash	6	N/M	4	0	3	13	0	27
Variable in shares	31	N/M	14	0	3	13	0	61
Variable in share-linked instruments	0	N/M	0	0	0	0	0	0
Variable in other types of instruments	0	N/M	0	0	0	0	0	0

N/M – Not meaningful

¹ All figures in the table include the allocation of Infrastructure related compensation and number of employees according to our established cost allocation key. The table may contain marginal rounding differences.

² Senior Management refers to Management Board Members/ Executive Directors of significant institutions in accordance with Sec. 17 InstVV and to members of the Senior Management Group.

³ Supervisory Function refers to non-executive Board members and Supervisory Board members of significant institutions in accordance with Sec. 17 InstVV. Compensation information is not reported for non-executive Board members and Supervisory Board members.

⁴ Variable Pay is reported which includes VC as well as other discretionary remuneration elements.

Deferred Compensation

in € m.	2015		
	Senior Management	Further MRTs	Group Total
Outstanding deferred Variable Pay	124	102	226
thereof:			
Vested awards	14	1	15
Unvested awards	110	101	211
Deferred Variable Pay granted for 2015	37	40	77
Deferred Variable Pay granted during 2015 ¹	57	47	104
Deferred Variable Pay forfeited due to ex-post risk-adjustment in 2015	0	0	0
Deferred Variable Pay from previous years vested during 2015	29	49	78

¹ Does not include Variable Compensation granted in March 2016 for the Financial Year 2015.

During the course of 2015, no InstVV MRTs had awards subject to forfeiture.

Sign-on and termination payments

in € m.	2015		
	Senior Management	Further MRTs	Group Total
Sign On payments (in € m.)	0	0	0
Number of beneficiaries	0	1	1
Termination payments granted (in € m.)	0	0	0
Number of beneficiaries	0	1	1

The highest termination payment granted to an InstVV MRT was € 0.04 million.

Remuneration of high earners

in €	2015	
	Number of employees	
Total Pay		
1,000,000 to 1,499,999	17	
1,500,000 to 1,999,999	17	
2,000,000 to 2,499,999	2	
2,500,000 to 2,999,999	2	
3,000,000 to 3,499,999	3	
3,500,000 to 3,999,999	3	
4,000,000 to 4,499,999	1	
4,500,000 to 4,999,999	0	
5,000,000 to 5,999,999	5	
6,000,000 to 6,999,999	0	
7,000,000 to 7,999,999	1	
8,000,000 to 8,999,999	1	
9,000,000 to 9,999,999	0	
10,000,000 to 10,999,999	1	
11,000,000 to 11,999,999	0	

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