Deutsche Bank

Deutsche Bank
Trust Company Americas
CRR Article 13(1) Pillar 3 Disclosures
at December 31, 2014

Passion to Perform

Contents

Introduction

Overview

The new prudential rules for banks and investment companies contained in EU Regulation 575/2013 (the Capital Requirements Regulation, “CRR”) and in the EU Directive 2013/36/EU (the Capital Requirements Directive, CRD IV), as published in the Official Journal of the European Union on June 27, 2013, 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 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 support 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. However, as of December 31, 2014, capital and leverage ratios are calculated using the FRB General Risk-based Capital Adequacy rules and calculations, often referred to as “US Basel I”.

While the CALL Report provides for some of the basic credit risk information required for Article 13(1) CRR, the capital and risk weighted asset (“RWA”) data prepared under the US Basel I methodologies differ significantly from the principles and methodologies of the CRR/CRD 4. As a result of these differences, using the FRB Basel I framework to facilitate certain disclosures required in Article 13(1) CRR would not be consistent with the disclosures and measures reported by other DBAG significant subsidiaries operating under CRR/CRD 4 or similar regulatory frameworks.

Furthermore, DBTCA is currently not subject to the US Final Rule on Basel 3 Capital Requirements as approved by the Federal Reserve Bank on July 2, 2013. The US Basel 3 rules provide for a framework that is similar to the CRR/CRD 4. However on a US bank standalone basis, DBTCA will not be subject to the US Basel 3 framework until March 31, 2015 when, as a matter of regulatory reporting changes, DBTCA will be required to adopt the Basel 3 capital and regulatory reporting framework.

Finally, Deutsche Bank in the US is in the process of implementing the US Intermediate Holding Company 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.

Therefore, for the year ended December 31, 2014, the disclosures for DBTCA will be limited to those outlined in Articles 442, 450, and 453 CRR, as applicable. These disclosures are primarily based on fundamental credit risk and remuneration policies, processes and principles which are common across DBAG subsidiaries. In addition, DBTCA’s disclosures as they relate to Article 442 and Article 453 CRR will be presented on a basis consistent with DBAG’s consolidated CRR disclosures as this is representative of how DBTCA currently measures and manages its credit risk. Using a basis consistent with DBAG’s consolidated disclosures, DBTCA will present Article 442 and Article453 CRR disclosures on an IFRS basis and all figures will exclude inter-company transactions as such transaction would have been eliminated from DBAG’s consolidated results. All figures will be represented in Euro and in millions.

US Intermediate Holding Company Regulatory Framework

The DBTCA CRR disclosures will continue to be published on a limited basis as described above until such time DBTCA is required to operate under a regulatory framework that can facilitate the disclosures outlined in Article 13(1) CRR. This is anticipated to be the case when DBAG establishes its US Intermediate Holding Company (“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.

DBAG, along with its US subsidiaries, are currently in the process of implementing the US IHC. The IHC is scheduled to be implemented by July 1, 2016 as required by regulations and, at such time the IHC and its subsidiaries, including DBTCA, will be subject to the US Basel 3 framework which will facilitate the disclosure requirements as set out in Article 13(1) CRR.

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 families.

Business divisions within DBTCA include:

- Global Transaction Banking ("GTB"): GTB provides commercial banking products and services for corporates and financial institutions worldwide, including domestic and cross-border payments, risk mitigation and financing of international trade. GTB also provides trust, agency, depositary, 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.

- 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 (Corporates 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, within the Deutsche Bank Group's Assets and Wealth management ("AWM") division, 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.

Financial Assets Classified as Available for Sale

Financial assets that are not classified as at fair value through profit or loss or as loans are classified as AFS. A financial asset classified as AFS is initially recognized at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortization of premiums and accretion of discount are recorded in net interest income. Financial assets classified as AFS are carried at fair value with the changes in fair value reported in other comprehensive income, unless the asset is subject to a fair value hedge, in which case changes in fair value resulting from the risk being hedged are recorded in other income. For monetary financial assets classified as AFS (debt instruments), changes in carrying amounts relating to changes in foreign exchange rate are recognized as changes in carrying amount are recognized in other comprehensive income as indicated above. For financial assets classified as AFS that are nonmonetary items (equity instruments), the gain or loss that is recognized in other comprehensive income includes any related foreign exchange component. In the case of equity investments classified as AFS, objective evidence includes a significant or prolonged decline in the fair value of the investment below cost. In the case of debt securities classified as AFS, impairment is assessed based on the same criteria as for loans.

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), 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, 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, 2014, it is not required to calculate RWA using US Basel 3 rules. However, DBTCA is required to maintain standalone capital adequacy pursuant to applicable FRB rules and regulations using the FRB General Risk-based Capital Adequacy rules, known as Basel I. While the EU CRR/CRD 4 and US Basel I regulatory frameworks differ in many aspects, the use of credit risk mitigants is recognized under both frameworks, although the FRB Basel I 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, 2014. 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

Dec 31, 2014

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:	0	0	0	0	0	0	0	0	0
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:	0	0	0	0	0	0	0	0	0
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:	0	0	0	0	0	0	0	0	0
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:	0	0	0	0	0	0	0	0	0
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

Dec 31, 2014

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	0	0	0	0	0	1.269
Fund management activities	28	11	0	0	0	0	0	0	39
Manufacturing	446	1.227	150	0	0	0	0	0	1.823
Wholesale and retail trade	89	746	90	0	0	0	0	0	925
Households	5.890	1.375	82	0	0	0	0	0	7.347
Commercial real estate activities	243	385	18	0	1	0	0	0	647
Public sector	0	2	0	0	0	0	0	0	2
Other	2.026	3.264	279	5	30	0	0	0	5.604
Total	9.967	7.025	628	5	31	0	0	0	17.656

Residual contract maturity profile of the main credit exposure categories

Dec 31, 2014

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	0	0	0	6.592
1 year – 5 years	4.854	3.457	0	0	0	0	0	0	8.311
> 5 years	1.377	1.376	0	0	0	0	0	0	2.753
Total credit risk exposure	9.967	7.025	628	5	31	0	0	0	17.656

Average credit risk exposure held over the four quarters

Dec 31, 2014

	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	0	2	0	18.831
Total credit risk exposure at year-end	9.967	7.025	628	5	31	0	0	0	17.657

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 forborne loans.

On February 20, 2014, the EBA issued the draft Implementing Technical Standards (ITS) on Supervisory reporting on forbearance and non-performing exposures under Article 99(4) CRR.

During 2014 we introduced the new EBA definition for forbearances replacing the definition of renegotiated and restructured loans. The scope of the new definition goes far beyond the prior definitions applied and now includes those measures to clients which will face financial difficulties. Once the conditions mentioned in the ITS are met, we report the loan as being forborne; we remove the loan from our forbearance reporting, once the discontinuing criteria in the ITS are met.

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

	Dec 31, 2014			Dec 31, 2013			Change	
	Impaired loans	Loan loss allowance	Impaired loan coverage ration in %	Impaired loans	Loan loss allowance	Impaired loan coverage ration in %	Impaired loans	Impaired loan coverage ration 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				Dec 31, 2014
	Individually assssed	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	41
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				Dec 31, 2014
	Individually assssed	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 %
Germany	0	0	0	0	0	0	0	0
Western Europe (excluidng Germany)	0	0	0	0	0	0	0	0
Eastern Europe	0	0	0	0	0	0	0	0
North America	83	0	83	21	0	20	41	49
Central and South America	0	0	0	0	0	0	0	0
Asia/Pacific	0	0	0	0	0	0	0	0
Africa	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Total	83	0	83	21	0	20	41	49

Development of impaired loans

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

Impaired loans, provision for loan losses and recoveries by industry

	Dec 31, 2014	12 months ending	Dec 31, 2014	Dec 31, 2013	12 months ending	Dec 31, 2013
	Total imapired loans	Provision for loan losses before recoveries	Recoveries	Total imapired 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 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.

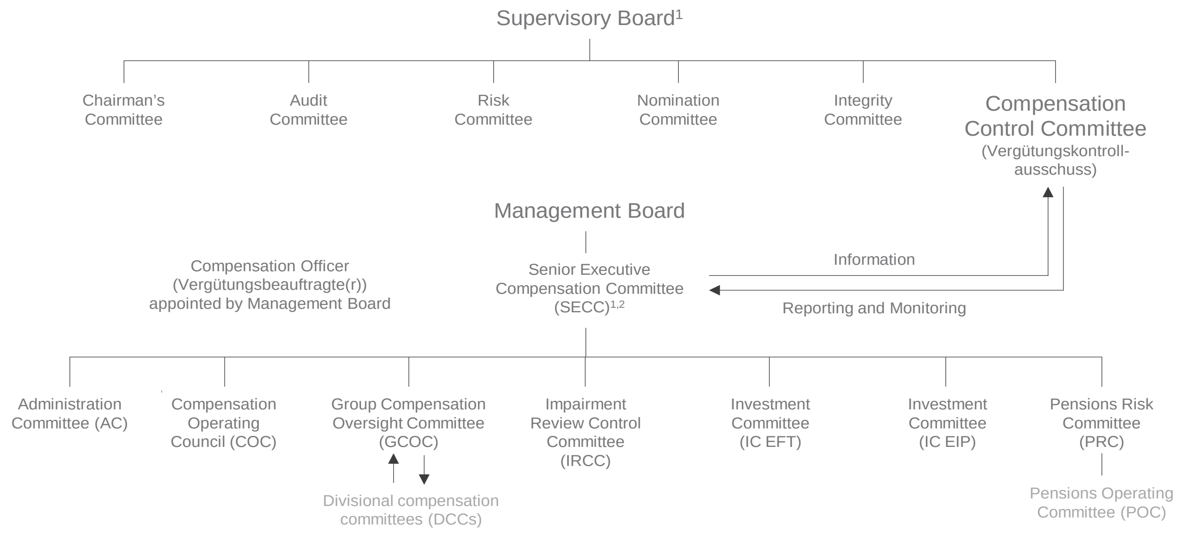
DBTCA had a total of 700 employees as of December 31, 2014, and its total compensation expenses were € 130 million for 2014. The total 2014 variable compensation ("VC") for employees in DBTCA was € 42 million. In keeping with our historic approach, a large proportion of VC is deferred over three to five years and made subject to a combination of behavioral and performance based forfeiture provisions. The scope of the forfeiture provisions was significantly extended in 2013, and the Bank has maintained these provisions for performance year 2014.

Compensation Governance

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

Compensation governance structure

(based on §25d (12) KWG and InstitutsVergV Regulations)



[1] Optional: Independent external consultants
[2] The relevant tasks are performed by the SECC on behalf of the Management Board

In accordance with the German two-tier board structure, the Supervisory Board governs the compensation of the Management Board members, while the Management Board, supported by the Senior Executive Compensation Committee ("SECC"), oversees compensation matters for all other employees in the Group. The SECC meets at least every two months (24 meetings in performance year 2014), and is co-chaired by Stefan Krause (CFO) and Stephan Leithner (for 2014: CEO Europe ex Germany and UK, Human Resources, Legal & Compliance, Government and Regulatory Affairs), both of whom are members of the Management Board. The remaining membership is comprised of Stuart Lewis (CRO and member of the Management Board) and senior employees from Finance and Human Resources. In order to maintain its independence, no employees aligned to any of our business divisions are members of the SECC. The SECC prepares and recommends to the Management Board key Group level decisions on compensation strategy and structures, as well as overseeing the overall compensation process through its sub-committee structure.

The Management Board has approved a Group Compensation Strategy, which ensures that compensation practices are fully linked to the Group's business and risk strategies. The Bank also has a Group Compensation Policy, an internal document focused on informing and educating employees with regards to the Bank's compensation strategy, governance processes and structures. These documents provide a clear and demonstrable link between compensation practices and the wider Group strategy and, in compliance with § 13

InstitutsVergV, these documents have been published on the Bank's intranet site and are therefore available to all employees.

In accordance with the InstitutsVergV, the SECC works in co-operation with the Compensation Control Committee ("CCC") in relation to Group matters. The CCC is comprised of Supervisory Board members and establishes a closer link to, and focus on, Group compensation matters by the Supervisory Board by monitoring the structure of remuneration systems for senior management and employees. The CCC also supports the Supervisory Board in monitoring whether the relevant internal control functions are adequately involved in the structuring of remuneration systems, as well as ensuring that the long-term interests of shareholders, investors and other stakeholders are taken into account. In addition, and according to §§ 23 to 26 of the InstVV, the Management Board, in cooperation with the CCC, has appointed a Compensation Officer, who cooperates closely with the chair of the CCC and is responsible for continuously monitoring the adequacy of the compensation systems. A Deputy Compensation Officer has also been appointed to assist the Compensation Officer in the fulfillment of his duties. The CCC had seven meetings in performance year 2014.

Compensation Structure

The Bank employs a total compensation philosophy, which comprises fixed pay and variable compensation ("VC").

Fixed pay 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, fixed pay 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.

VC is predicated on the industry objective of retaining cost flexibility whilst attracting and retaining the right talent. VC also has the advantage of being able to differentiate performance outcomes and drive behaviors 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 fixed pay, this drives total compensation outcomes that are both cost effective and flexible.

CRD IV Implementation

As previously stated, pursuant to § 25a (5) German Banking Act (KWG) and § 6 (2) InstitutsVergV, the Bank is subject to a maximum fixed to variable compensation ratio. In implementation of this, the Bank has taken a number of steps which impact the remuneration structure. Implementing the regulatory requirements of 1:1 and 1:2 will not in itself cause individual employee total compensation to rise. Total compensation will continue to be performance and market driven. To ensure that total compensation levels remain competitive, the application of a 1:1 and 1:2 ratio has required an adjustment to the compensation structure of a number of employees.

Determining Group-wide Variable Compensation

The Bank uses a formalized and transparent process to derive recommended VC pools across the Group. For business divisions, VC pool recommendations are calculated by applying divisional payout rates to divisional risk-adjusted, bonus-eligible performance. Divisional payout rates are calibrated to both historical midpoints and competitive benchmarks to promote transparency of initial pool recommendations. Infrastructure pool recommendations are determined separately and are not dependent on the performance of the Divisions they oversee, in accordance with § 5 (4) InstitutsVergV.

The resulting pool recommendations are then considered and reviewed taking into account other strategic qualitative factors and external benchmarks. In accordance with the InstitutsVergV, the emphasis of remuneration for the majority of infrastructure employees, particularly in key control functions, is on fixed compensation.

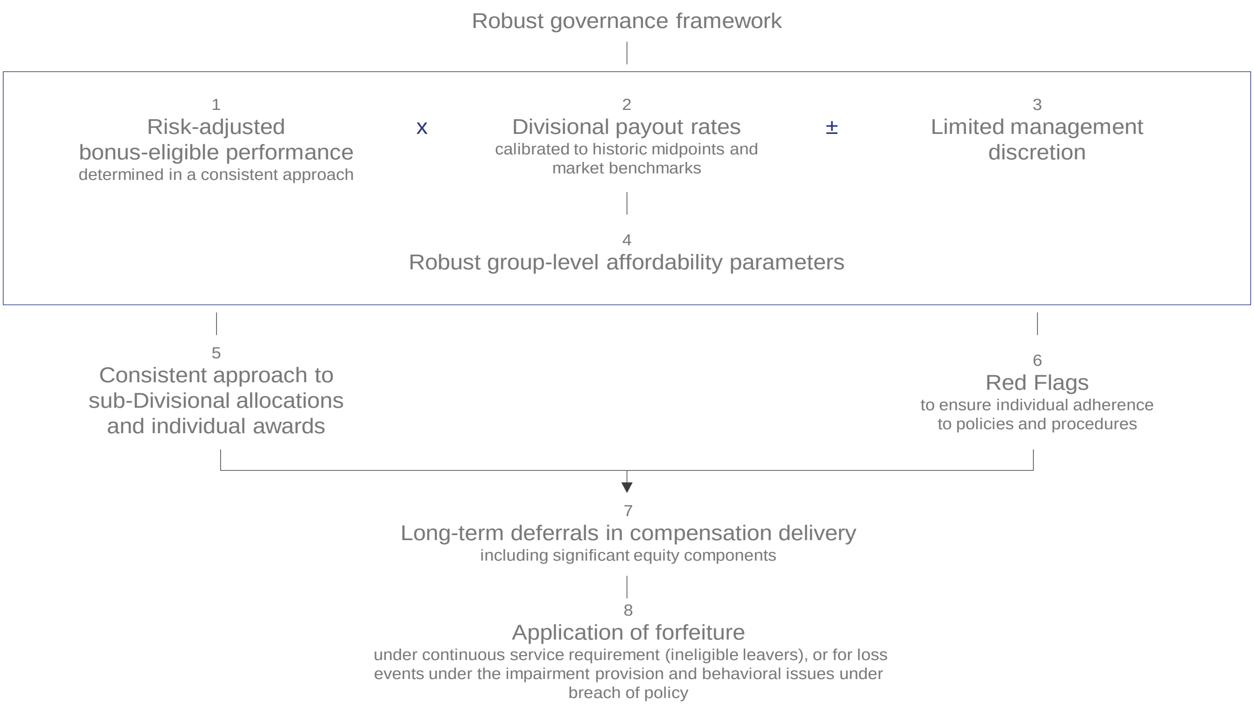
When making VC pool decisions, the overriding consideration is balancing Group affordability with competitiveness; ensuring the Bank is able to meet externally published targets, liquidity and capital requirements, in accordance with the specifications of § 7 and § 19 InstitutsVergV. Group-level affordability tests are conducted to determine the recommended VC pool sizes are appropriate; supporting long-term profitability and the sustainable development of the Bank, in line with the Group Compensation Strategy and with the Bank's values and beliefs. The metrics used by the SECC to assess Group affordability include, but are not limited to:

— Pro forma CRR/CRD IV Common Equity Tier 1 Capital Ratio
— Liquidity
— Risk Bearing Capacity

— Cost Income Ratio
— Compensation Ratio
— Income before Income Taxes (IBIT)
— Net Income
— Other relevant financial metrics requested by the SECC

The Group VC pool is considered affordable if aligned with these key financial metrics and if consistent with the projected fulfillment of future regulatory and strategic goals.

Summary of the VC pool determination process and the overarching governance framework:



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. All individual VC decisions must be performance-based and linked to a combination of risk-adjusted Group, divisional and individual performance. 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.

At a senior level, we are committed to ensuring that a large portion of any VC award is linked to the long-term development and performance of the Bank through the structured deferral of awards over a minimum three year period, with appropriate performance conditions and forfeiture provisions.

Employees with a 2014 deferred VC award received 50 % of the award in the form of deferred equity and 50 % in deferred cash. Note: a limited number of senior employees 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.

The following instruments were utilized to achieve this:

Restricted Equity Awards

The deferred equity portion is delivered as a Restricted Equity Award ("REA") which vests on a pro rata basis over three years (or 4.5 years for the Senior Management Group). Note: employees in the Private Client Services ("PCS") business of Deutsche AWM receive a PCS award instead of REA. The value of the REA is linked to the Bank's share price over the vesting (and, where applicable, retention) period and is therefore tied to the long-term sustained performance of the Bank. Specific forfeiture provisions apply during the deferral period and, where applicable, retention periods.

Restricted Incentive Awards

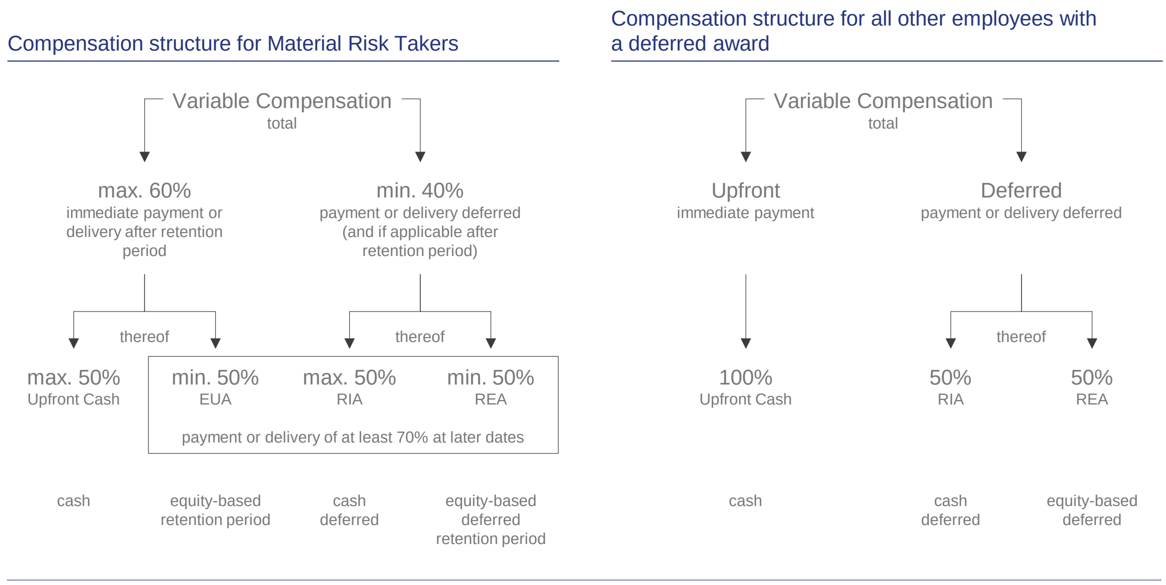
The non-equity based portion is granted as deferred cash compensation (Restricted Incentive Award, "RIA") which vests on a pro rata basis over three years (a longer deferral period applies to Management Board members). Specific forfeiture provisions apply during the deferral period.

Equity Upfront Awards

In addition to the above deferred awards, all Material Risk Takers receive 50 % of their upfront (non-deferred) award in the form of an Equity Upfront Award ("EUA").

The EUA is vested at grant but it is subject to a 6 month retention period. The value of the EUA is linked to the Bank's share price during the retention period and is therefore tied to the sustained performance of the Bank. Specific forfeiture provisions apply during the retention period in addition to a service requirement.

The following diagram summarizes the above compensation vehicles utilized for Material Risk Takers and all other employees with a deferred award.



EUA = Equity Upfront Awards
RIA = Restricted Incentive Awards
REA = Restricted Equity Awards

Deferral Schedule

Regulatory requirements dictate that deferral periods for Material Risk Takers should be a minimum of three years. As in previous years, we have chosen to apply these minimum requirements to all employees with deferred awards. We have also once more identified a subset of our most senior MRTs. This Senior Management Group (consisting of 2 employees in DBTCA) is subject to a 4.5 year (cliff vest) deferral period in respect of their REA. This is intended to ensure more than any other employees they have a vested interest in the long-term, sustained performance of the Bank.

A six month retention period also applies following the vesting of each REA tranche for MRTs. For the Senior Management Group, the six month retention period follows the 4.5 year vesting period. As such, they will not realize any of the value of their 2015 REA until at least February 2020 (five years following grant).

All MRTs also receive 50 % of their upfront award in the form of an EUA. The EUA is vested at grant, however it is subject to a six month retention period during which time forfeiture provisions are applicable (this goes beyond regulatory requirements).

Below is a summary of the vesting structure for each population of employees with a deferred award (excluding the Management Board).

Structure for 2014 deferred compensation

		Upfront		Deferred	
Employee population		Cash Bonus (50% of Upfront Award)	Equity Upfront Award (EUA) (50% of Upfront Award)	Restricted Incentive Award (RIA) (deferred cash) (50% of Deferred Award)	Restricted Equity Award (REA) (deferred equity) (50% of Deferred Award)
Senior Management Group[1]	Vesting schedule (Grant date February 2015)		Fully vested at grant (Feb 2015)	3-year equal vesting tranches (February 2016, 2017, 2018)	4.5-year cliff vesting (August 2019)
	Retention period (post vesting period)		Retention period ends August 2015		Retention period ends February 2020
Remainder of Material Risk Takers	Vesting schedule (Grant date February 2015)		Fully vested at grant (Feb 2015)	3-year equal vesting tranches (February 2016, 2017, 2018)	3-year equal vesting tranches (February 2016, 2017, 2018)
	Retention period (post vesting period)		Retention period ends August 2015		Retention periods end August 2016, 2017, 2018
All other employees with deferred awards	Vesting schedule (Grant date February 2015)			3-year equal vesting tranches (February 2016, 2017, 2018)	3-year equal vesting tranches (February 2016, 2017, 2018)
	Retention period (post vesting period)				

[1] Excluding Management Board.

Risk Adjustment of Variable Compensation

A series of measures are intended to implement effective risk management processes into compensation systems addressing both ex ante and ex post adjustments.

Ex-Ante Risk Adjustment

To establish appropriate ex-ante risk adjustments, we use a consistent, bank-wide standardized methodology to measure risk-adjusted bonus-eligible ("RA BE") performance (RA BE Net Income before Bonus and Tax ("NIBBT")) by business. All performance for VC calculation purposes is appropriately risk-adjusted based on economic capital utilization in accordance with the requirements of § 19 InstitutsVergV.

The Bank's economic capital model was developed within the Risk function and is the Bank's primary method for calculating the degree of future potential risk to which the Bank may be exposed. The model measures the amount of capital that the Bank would need in order to absorb very severe unexpected losses arising from the Bank's exposures.

Economic capital was verified as being the Bank's best estimate for future but not materialized losses from its current portfolio and therefore the best metric to adjust VC pools. The SECC reviewed the appropriateness of the risk-adjustment methodology and does so on an annual basis.

The Bank's economic capital model captures inputs from four risk areas:

— Credit risk
— Market risk
— Operational risk
— Business risk

These risks are modelled independently and with the consideration of the different components that constitute each risk area.

Ex post risk adjustment

Performance conditions and forfeiture provisions are a key element of our deferred compensation structures and ensure that awards are aligned to future conduct and performance. As illustrated by the statistics in this report, the percentage of VC awards subject to deferral, and therefore performance and forfeiture conditions, increases in line with earnings. In conjunction with the scope of the risk adjustment measures, the duration for which they are applicable is equally as important and is reflected in the application of such conditions up to the settlement of awards.

A number of performance and forfeiture provisions have been applied to 2014 deferred VC awards (awarded in February 2015), which are summarised below.

2014 deferred compensation awards: forfeiture provisions

Performance Conditions & Forfeiture provisions	Senior Management Group & other Material Risk Takers	All other staff with Deferred Awards
Group Performance Provision (REA) – Applicable to REA tranches prior to settlement — In the event of negative Group IBIT, the next vesting tranche of REAs will be forfeited — In the event that the CET1 Capital Ratio is less than 200 basis points over the Group's applicable regulatory minimum capital level according to Article 92(1)(a) of the CRR as a result of the Group incurring a negative net income or for any other reason, 100% of undelivered 2014 REAs will be forfeited	yes	yes
Group Performance Provision (RIA) – Applicable to RIA tranches prior to settlement for MRTs — In the event of negative Group IBIT, the next vesting tranche of RIAs will be forfeited	yes	
Divisional Performance Provision – Applicable to REA and RIA tranches prior to settlement for MRTs — In the event of negative Divisional IBIT, the next vesting tranche of REAs/RIAs will be forfeited — Provision is not applicable for Infrastructure, Regional Management or NCOU employees	yes	
Revenue Impairment Forfeiture – Applicable to undelivered RIA and REA	yes	yes
Revenue Impairment Forfeiture – Applicable to EUA and retention periods following vesting of REA tranches for MRTs	yes	
Breach of Policy – Applicable to undelivered RIA and REA	yes	yes
Breach of Policy – Applicable to EUA and retention periods following vesting of REA tranches for MRTs	yes	

Material Risk Takers

In accordance with the InstitutsVergV we are required to identify all employees whose work is deemed to have a major influence on the overall risk profile of the Group. Appropriately identifying Material Risk Takers ("MRTs"), and subsequently designing suitable compensation structures for them, is essential in order not to incentivize inappropriate risk-taking. The European Banking Authority's Regulatory Technical Standards ("EBA RTS"), which have been adopted by the InstitutsVergV, came into effect in June 2014.

To promote alignment with new regulatory requirements, the 2014 MRT identification process is based on a combination of qualitative and quantitative criteria as set out in the EBA RTS, and internal criteria developed by the Bank to identify additional categories of employees whose professional activities have a material impact on the Bank's risk profile. In DBTCA, 51 employees were identified as MRTs for performance-year 2014.

Compensation Structures for Material Risk Takers

Material Risk Takers are subject to the same deferral matrix as the general employee population, save for the requirement that at least 40 % - 60 % of VC must be deferred. If a MRT's VC does not trigger a deferral of at least 40 % under the Group's global deferral matrix then (providing their VC is in excess of € 50,000) the matrix is overridden to ensure that regulatory obligations are met. On average, however, MRTs are subject to deferral rates in excess of the minimum 40 % - 60 % regulatory requirements.

All MRTs receive 50 % of their deferred VC in the form of a Restricted Equity Award ("REA") and typically the remaining 50 % as a Restricted Incentive Award ("RIA"). Note: a limited number of MRTs in Deutsche AWM received a portion of their RIA 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, and deferral and forfeiture provisions under the EIP remain the same as the RIA. These employees still received 50 % of their deferred award in equity (as a REA) as required by regulation.

Upon the vesting of each REA tranche (or at the end of the 4.5 year vesting period for the Senior Management Group), a further minimum six-month retention period applies during which time employees are not permitted to sell their shares. Employees can still forfeit their REA under the Policy/Regulatory Breach and Revenue Impairment forfeiture provisions or if they are subject to termination for Cause during the retention period.

In addition to the deferred award, 50 % of the upfront award (the remaining portion after the deferred element is calculated) is also awarded in equity in the form of an Equity Upfront Award ("EUA"). At award, the equity is subject to a minimum six-month retention period during which time the shares cannot be sold. Adding the EUA to the deferred portion of the award means that, on average, MRTs receive less than 15 % of their 2014 VC as an immediate cash payment (i.e., average deferral rates in excess of 85 %). EUAs are subject to the Policy/Regulatory Breach and Revenue Impairment forfeiture provisions during the retention period and will also be forfeited if the employee leaves the Group either voluntarily or for cause.

All deferred awards and the EUA are subject to forfeiture following a Policy/Regulatory Breach or Revenue Impairment event. In addition, all deferred awards are subject to forfeiture provisions linked to the performance of the respective division and/or the Group as a whole.

Compensation Disclosure pursuant to Section 16 InstitutsVergV

Section 16 InstitutsVergV provides that the duties of disclosure for institutions are determined solely by Article 450 of Regulation (EU) No. 575/2013 (the Capital Requirements Regulation, "CRR"). Article 450 CRR introduces new disclosure requirements and the tables below have been created in accordance with this.

Aggregate remuneration

As described above, we have developed, refined and implemented a structured and comprehensive approach in order to identify Material Risk Takers in accordance with the InstitutsVergV requirements. The collective remuneration elements for this population of employees are detailed in the table below. Please note that 'variable pay' is reported in the table, which includes variable compensation as well as other discretionary remuneration elements. Variable pay has been used for fixed to variable remuneration ratio purposes.

All Management Board members and Board members of other significant Group Subsidiaries per Section 1 and 17 InstitutsVergV are included in the Geschäftsleiter column.

in € m. (unless stated otherwise)[1]	CB&S	GTB	Deutsche AWM	Geschäftsleiter (Significant Institutions)	Infrastructure & Regional Management	Group Total
						2014
Number of employees	5	11	30	2	5	53
thereof:						
Senior Management Group	0	0	0	2	0	2
Other material risk takers	5	11	30	0	5	51
Total Pay	4	7	32	3	3	48
thereof:						
Fixed Pay[2]	2	3	13	1	2	21
Variable Pay[3]	2	4	19	2	1	28
Variable Pay	2	4	19	2	1	28
thereof:						
Variable in cash	1	2	10	1	1	15
Variable in shares	1	2	8	1	1	12
Variable in share-linked instruments	0	0	0	0	0	0
Variable in other types of instruments	0	0	0	0	0	0
Outstanding deferred Variable Pay	2	3	26	2	2	35
thereof:						
Vested awards	0	0	0	0	0	0
Unvested awards	2	3	26	2	2	35

1 Excluding Postbank [note: not relevant]
2 Fixed pay defined as: base salary + Additional Fixed Pay Supplement + relevant local allowances
3 Variable pay defined as: VC + other discretionary remuneration payments

The table may contain marginal rounding differences.

Sign-on awards are intended to be a one-off premium to exceptional new hires and are included as variable pay in the year of joining for the purposes of the maximum fixed to variable ratio. No MRTs in DBTCA received Sign-on awards in 2014

We are conscious that any discretionary termination payments made must be determined based on the sustained commitment of the individual and their personal contribution to the success of the Bank during the course of their employment. No MRTs in DBTCA received discretionary termination payments in 2014.

No MRTs in DBTCA had awards subject to forfeiture as a result of being terminated for cause or as a result of a finding of a Policy/Regulatory Breach or Revenue Impairment in 2014.

Remuneration of high earners

Per Article 450 CRR, the Bank is also required to disclose the number of individuals remunerated € 1 million or more. This information is provided below:

	2014
	Number of employees
Total Pay[1]	
1,000,000 to 1,499,999	7
1,500,000 to 4,999,999	5

1 Total Pay defined as fixed pay (base salary + AFPS + relevant local allowances) plus variable pay (VC plus other discretionary remuneration payments)

Deutsche Bank Trust Company Americas
60 Wall Street
New York, New York 10005
Telephone: 1-212-250-2500
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