UNIVEST CORP OF PENNSYLVANIA
Form 3
June 30, 2005

FORM 3

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person [*]
Â SCHLOSSER MARK A
(Last) (First) (Middle)

301 WEST BROAD STREET
(Street)

SOUDERTON,Â PAÂ 18964
(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
06/22/2005

3. Issuer Name **and** Ticker or Trading Symbol
UNIVEST CORP OF PENNSYLVANIA [UVSP]

4. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1.Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
COMMON	2,920 (1)	D	Â
COMMON	843 (1)	I	Spouse
COMMON	8,433 (1)	I	Quarta Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership (Instr. 5)

		(Instr. 4)			
Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHLOSSER MARK A 301 WEST BROAD STREET SOUDERTON,Â PAÂ 18964	Â X	Â	Â	Â

Signatures

Wallace H. Bieler	06/30/2005
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) DOES INCLUDE THE 3 FOR 2 STOCK SPLIT IN THE FORM OF A STOCK DIVIDEND ISSUED APRIL 29, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.
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Methodology and policy

0 0 0 0 0 0 0

Acquisitions and disposals

0 0 0 0 0 0 0

Explanation of Responses:

Explanation of Responses:

Foreign exchange movements

0 0 0 0 (301) (301) (24)

Other

0 0 0 0 0 0 0

Explanation of Responses:

Market risk RWA balance, end of year

4,380	10,896	9,871	56	5,763	30,966	2,477

Explanation of Responses:

							Dec 31, 2016
in m.	VaR	SVaR	IRC	CRM	Other	Total RWA	Total capital requirements
Market risk RWA balance, beginning of year	6,931	17,146	11,608	2,378	11,491	49,553	3,964
Movement in risk levels	(655)	(1,547)	(2,716)	(3,553)	(8,852)	(17,323)	(1,386)
Market data changes and recalibrations	403	0	0	0	2,018	2,421	194
Model updates/changes	(57)	237	(230)	0	0	(50)	(4)
Methodology and policy	(665)	(1,565)	0	1,475	0	(754)	(60)
Acquisitions and disposals	0	0	0	0	0	0	0
Foreign exchange movements	0	0	0	(27)	(58)	(84)	(7)

Other	0	0	0	0	0	0	0
Market risk RWA balance, end of year	5,957	14,271	8,662	273	4,599	33,762	2,701

The analysis for market risk covers movements in our internal models for value-at-risk, stressed value-at-risk, incremental risk charge and comprehensive risk measure as well as results from the market risk standardized approach, which are captured in the table under the category Other . The market risk standardized approach covers trading securitizations and nth-to-default derivatives, longevity exposures, relevant Collective Investment Undertakings and market risk RWA from Postbank.

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The market risk RWA movements due to changes in market data levels, volatilities, correlations, liquidity and ratings are included under the Market data changes and recalibrations category. Changes to our market risk RWA internal models, such as methodology enhancements or risk scope extensions, are included in the category of Model updates . In the Methodology and policy category we reflect regulatory driven changes to our market risk RWA models and calculations. Significant new businesses and disposals would be assigned to the line item Acquisition and disposals . The impacts of Foreign exchange movements are only calculated for the CRM and Standardized approach methods.

As of December 31, 2017 the RWA for market risk was 31.0 billion which has decreased by 2.8 billion (8.3 %) since December 31, 2016. The reduction was driven by the value-at-risk and stressed value-at-risk components in the Movement in risk levels category , partly offset by an increase in the incremental risk charge in the Movement risk levels category and the market risk standardised approach for securitisation positions in the Movement in risk levels and Market data changes categories.

Development of risk-weighted assets for Operational Risk

		Dec 31, 2017		Dec 31, 2016
in m.	Operational risk RWA	Capital requirements	Operational risk RWA	Capital requirements
Operational risk RWA balance, beginning of year	**92,675**	**7,414**	89,923	7,194
Loss profile changes (internal and external)	(2,815)	(225)	7,048	564
Expected loss development	1,104	88	(1,798)	(144)
Forward looking risk component	(3,265)	(261)	(1,140)	(91)
Model updates	3,912	313	(358)	(29)
Methodology and policy	0	0	(1,000)	(80)
Acquisitions and disposals	0	0	0	0
Operational risk RWA balance, end of year	91,610	7,329	92,675	7,414

Changes of internal and external loss events are reflected in the category Loss profile changes . The category Expected loss development is based on divisional business plans as well as historical losses and is deducted from the AMA capital figure within certain constraints. The category Forward looking risk component reflects qualitative adjustments and as such the effectiveness and performance of the day-to-day Operational Risk management activities via Key Risk Indicators and Self-Assessment scores, focusing on the business environment and internal control factors. The category Model updates covers model refinements such as the implementation of model changes. The category Methodology and policy represents externally driven changes such as regulatory add-ons. The category Acquisition and disposals represents significant exposure movements which can be clearly assigned to new or disposed busi-nesses.

The overall RWA decrease of 1.1 billion was mainly driven by a lighter loss profile from internal and external losses feeding into our capital model. An additional increased benefit from the forward looking risk component overcompensated the impact of a model change regarding an enhanced scoring mechanism for the Self-Assessment results. This model change replaced the existing Self-Assessment process by our enhanced Risk and Control Assessment process. In Q4 2017, we have implemented a model change concerning the consistent use of loss data in our AMA model.

Economic Capital

Internal Capital Adequacy

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

Total capital supply and demand

in m. (unless stated otherwise)	Dec 31, 2017	Dec 31, 2016
Capital supply		
Shareholders equity	63,174	59,833
Noncontrolling interests[1]	0	0
Accruals AT1 coupons	(213)	N/M
Gain on sale of securitisations, cash flow hedges	(29)	N/M
Fair value gains on own debt and debt valuation adjustments, subject to own credit risk[2]	(73)	(440)
Additional valuation adjustments[3]	(1,204)	(1,398)
Intangible assets	(8,839)	(8,982)
IFRS deferred tax assets excl. temporary differences[4]	(3,341)	N/M
IFRS deferred tax assets[4]	N/M	(8,666)
Expected loss shortfall	(502)	(297)

Defined benefit pension fund assets[5]	(1,125)	(945)
Holdings of own common equity tier 1 capital instruments	(131)	(45)
Home loans and savings protection (Fonds zur bauspartechnischen Absicherung)	(19)	(231)
Other adjustments	(322)	N/M
Fair value adjustments for financial assets reclassified to loans[6]	N/M	(557)
Additional tier 1 equity instruments[7]	4,675	N/M
Hybrid tier 1 capital instruments	N/M	11,259
Tier 2 capital instruments	N/M	8,003
Capital supply	52,051	57,534
Total economic capital requirement		
Credit risk	10,769	13,105
Market risk	10,428	14,593
Operational risk	7,329	10,488
Business risk	5,677	5,098
Diversification benefit	(7,074)	(7,846)
Capital demand	27,129	35,438
Internal capital adequacy ratio	192 %	162 %

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

A ratio of more than 100 % signifies that the total capital supply is sufficient to cover the capital demand determined by the risk positions. This ratio was 192 % as of December 31, 2017, compared with 162 % as of December 31, 2016. The change of the ratio was due to the fact that capital supply decreased proportionately less than the capital demand did. The decrease in capital demand was driven by lower economic capital requirements partly due to the change in quantile as explained in the section Risk Profile . The capital supply decreased by 5.4 billion mainly due to the new capital supply definition as per the new internal capital adequacy perspective implemented in November 2017.

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

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Leverage Ratio

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

Leverage Ratio according to revised CRR/CRD 4 framework

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

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

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

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

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

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

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

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

Summary reconciliation of accounting assets and leverage ratio exposures

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

Leverage ratio common disclosure

in bn. (unless stated otherwise)	Dec 31, 2017	Dec 31, 2016
Total derivative exposures	166	177
Total securities financing transaction exposures	158	135
Total off-balance sheet exposures	95	102
Other Assets	990	948
Asset amounts deducted in determining Tier 1 capital[1]	(14)	(15)

Tier 1 capital (fully loaded)	52.9	46.8
Leverage ratio total exposure measure (fully loaded)	1,395	1,348
Leverage ratio (fully loaded, in %)	3.8	3.5
Tier 1 capital (phase-in)	57.6	55.5
Leverage ratio total exposure measure (phase-in)	1,396	1,350
Leverage ratio (phase-in, in %)	4.1	4.1

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

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

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

Our CRR/CRD 4 leverage ratio according to transitional provisions was 4.1 % as of December 31, 2017 (4.1 % as of December 31, 2016), calculated as Tier 1 capital according to transitional rules of 57.6 billion over an applicable exposure measure of 1,396 billion (55.5 billion and 1,350 billion as of December 31, 2016, respectively). The exposure measure under transitional rules is 1 billion (2 billion as of December 31, 2016) higher compared to the fully loaded exposure measure as the asset amounts deducted in determining Tier 1 capital are lower under transitional rules.

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

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

Over the year 2017, our leverage ratio exposure increased by 47 billion to 1,395 billion. This is primarily driven by the 41 billion increase in Other Assets which in addition to the above mentioned pending settlements also reflects the development on our balance sheet, in particular increases in cash and central bank balances and non-derivative trading assets, partly offset by a decrease in loans. Furthermore, there was an increase of 23 billion in SFT exposures reflecting higher add-ons for counterparty credit risk and the overall growth on the balance sheet in the SFT related items (securities purchased under resale agreements and securities borrowed, under accrual and fair value accounting as well as receivables from prime brokerage). Derivative exposures decreased by 11 billion mainly driven by lower replacement costs; the above-mentioned increase of the potential future exposure add-ons for sold options was largely offset by the change from the previous collateral model to a settlement model for the interest rate swaps transacted with the London Clearing House and other reductions. In addition, off-balance sheet exposures decreased by 7 billion corresponding to lower notional amounts for irrevocable lending commitments and contingent liabilities.

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

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

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

Credit Risk Exposure

Counterparty credit exposure arises from our traditional non-trading lending activities which include elements such as loans and contingent liabilities, as well as from our direct trading activity with clients in certain instruments including OTC derivatives like foreign exchange forwards and Forward Rate Agreements. A default risk also arises from our positions in equity products and traded credit products such as bonds.

We define our credit exposure by taking into account all transactions where losses might occur due to the fact that counterparties may not fulfill their contractual payment obligations.

Maximum Exposure to Credit Risk

The maximum exposure to credit risk table shows the direct exposure before consideration of associated collateral held and other credit enhancements (netting and hedges) that do not qualify for offset in our financial statements for the periods specified. The netting credit enhancement component includes the effects of legally enforceable netting agreements as well as the offset of negative mark-to-markets from derivatives against pledged cash collateral. The collateral credit enhancement component mainly includes real estate, collateral in the form of cash as well as securities-related collateral. In relation to collateral we apply internally determined haircuts and additionally cap all collateral values at the level of the respective collateralized exposure.

Maximum Exposure to Credit Risk

					Dec 31, 2017
					Credit Enhancements
in m.[1]	Maximum exposure to credit risk[2]	Netting	Collateral	Guarantees and Credit derivatives[3]	Total credit enhancements
Cash and central bank balances	225,655		0		0
Interbank balances (w/o central banks)	9,265		0	7	7
Central bank funds sold and securities purchased under resale agreements	9,971		9,914		9,914
Securities borrowed	16,732		15,755		15,755
Financial assets at fair value through profit or loss[4]	550,313	286,149	136,650	265	423,065
Trading assets	98,730		2,635	146	2,781
Positive market values from derivative financial instruments	361,032	285,421	52,797	119	338,338
Financial assets designated at fair value through profit or loss	90,551	728	81,218	0	81,946
thereof:					
Securities purchased under resale agreement	57,843	728	56,566	0	57,294
Securities borrowed	20,254		20,034	0	20,034
Financial assets available for sale[4]	47,766		559	0	559
Loans[5]	405,621		211,578	20,063	231,641
Securities held to maturity	3,170				
Other assets subject to credit risk	66,900	29,854	1,514	56	31,424
Financial guarantees and other credit related contingent liabilities[6]	48,212		4,024	6,579	10,604

Irrevocable lending commitments and other					
credit related commitments[6]	158,253		7,544	1,759	9,303
Maximum exposure to credit risk	**1,541,858**	**316,003**	**387,538**	**28,730**	**732,271**

[1]All amounts at carrying value unless otherwise indicated.
[2] Does not include credit derivative notional sold (828,804 million) and credit derivative notional bought protection.
[3] Bought credit protection is reflected with the notional of the underlying.
[4] Excludes equities, other equity interests and commodities.
[5] Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
[6] Figures are reflected at notional amounts.

					Dec 31, 2016
					Credit Enhancements
in m.[1]	Maximum exposure to credit risk[2]	Netting	Collateral	Guarantees and Credit derivatives[3]	Total credit enhancements
Cash and central bank balances	181,364	0	0	0	0
Interbank balances (w/o central banks)	11,606	0	0	25	25
Central bank funds sold and securities purchased					
under resale agreements	16,287	0	15,944	0	15,944
Securities borrowed	20,081	0	19,193	0	19,193
Financial assets at fair value through profit or loss[4]	667,411	389,475	139,274	1,241	529,990
Trading assets	95,410	0	3,601	1,007	4,607
Positive market values from derivative financial instruments	485,150	386,727	64,438	164	451,329
Financial assets designated at fair value through					
profit or loss	86,850	2,748	71,235	70	74,054
thereof:					
Securities purchased under resale agreement	47,404	2,748	44,591	0	47,339
Securities borrowed	21,136	0	20,918	0	20,918
Financial assets available for sale[4]	54,275	0	560	28	589
Loans[5]	413,455	0	210,776	30,189	240,965
Securities held to maturity	3,206	0	0	0	0
Other assets subject to credit risk	76,036	39,567	1,061	80	40,708
Financial guarantees and other credit related contingent liabilities[6]	52,341	0	5,094	8,661	13,756
Irrevocable lending commitments and other credit related commitments[6]	166,063	0	8,251	7,454	15,705
Maximum exposure to credit risk	**1,662,125**	**429,042**	**400,153**	**47,679**	**876,874**

[1]All amounts at carrying value unless otherwise indicated.

[2] Does not include credit derivative notional sold (744,159 million) and credit derivative notional bought protection.
[3] Bought credit protection is reflected with the notional of the underlying.
[4] Excludes equities, other equity interests and commodities.
[5] Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
[6] Figures are reflected at notional amounts.

The overall decrease in maximum exposure to credit risk for December 31, 2017 was driven by a 124.1 billion decrease in positive market values from derivative financial instruments, 9.1 billion decrease in Other assets subject to credit risk, 7.8 billion decrease in loans and 6.5 billion decrease in financial assets available for sale, partly offset by a 44.3 billion increase in cash and central bank balances.

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Included in the category of trading assets as of December 31, 2017, were traded bonds of 87.3 billion (81.3 billion as of December 31, 2016) of which over 82 % were investment-grade (over 81 % as of December 31, 2016). The above mentioned financial assets available for sale category primarily reflected debt securities of which more than 98 % were investment-grade (more than 98 % as of December 31, 2016).

Credit Enhancements are split into three categories: netting, collateral and guarantees / credit derivatives. Haircuts, parameter setting for regular margin calls as well as expert judgments for collateral valuation are employed to prevent market developments from leading to a build-up of uncollateralized exposures. All categories are monitored and reviewed regularly. Overall credit enhancements received are diversified and of adequate quality being largely cash, highly rated government bonds and third-party guarantees mostly from well rated banks and insurance companies. These financial institutions are domiciled mainly in European countries and the United States. Furthermore we have collateral pools of highly liquid assets and mortgages (principally consisting of residential properties mainly in Germany) for the homogeneous retail portfolio.

Credit Quality of Financial Instruments neither Past Due nor Impaired

We derive our credit quality from internal ratings and group our exposures into classes as shown below. Please refer to section Measuring Credit Risk for more details about our internal ratings.

Credit Quality of Financial Instruments neither Past Due nor Impaired

							Dec 31, 2017
in m[1].	iAAA iAA	iA	iBBB	iBB	iB	iCCC and below	Total
Cash and central bank balances	219,690	3,717	1,453	597	80	118	225,655
Interbank balances (w/o central banks)	3,921	2,743	1,450	808	23	320	9,265
Central bank funds sold and securities purchased under resale agreements	2,666	2,851	716	3,018	630	89	9,971
Securities borrowed	13,326	2,379	495	499	10	22	16,732
Financial assets at fair value through profit or loss[2]	251,554	193,193	50,326	41,347	10,004	3,888	550,313
Trading assets	49,305	12,186	11,833	16,496	6,684	2,226	98,730
Positive market values from derivative financial instruments	151,693	167,014	25,442	13,333	2,472	1,078	361,032
Financial assets designated at fair value through profit or loss	50,557	13,993	13,051	11,518	848	585	90,551

thereof:							
Securities purchased under resale agreement	25,389	11,498	9,662	10,367	324	603	57,843
Securities borrowed	18,309	1,277	644	24	0	0	20,254
Financial assets available for sale[2]	36,235	6,658	2,592	399	57	130	46,071
Loans[3]	40,765	54,383	126,071	117,807	43,872	12,236	395,132
thereof:							
IAS 39 reclassified loans	20	0	36	283	141	108	588
Securities held to maturity	3,170	0	0	0	0	0	3,170
Other assets subject to credit risk	16,705	25,909	8,128	14,704	754	700	66,900
Financial guarantees and other credit related contingent liabilities[4]	5,108	13,899	16,165	7,882	3,434	1,723	48,212
Irrevocable lending commitments and other credit related commitments[4]	18,643	44,388	51,021	25,652	15,286	3,264	158,253
Total	**611,783**	**350,120**	**258,417**	**212,713**	**74,152**	**22,489**	**1,529,674**

1 All amounts at carrying value unless otherwise indicated.
2 Excludes equities, other equity interests and commodities.
3 Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
4 Figures are reflected at notional amounts.

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							Dec 31, 2016
						iCCC	
in m.[1]	iAAA iAA	iA	iBBB	iBB	iB	and below	Total
Cash and central bank balances	174,978	4,241	1,778	238	81	47	181,364
Interbank balances (w/o central banks)	5,546	3,452	1,612	689	112	195	11,606
Central bank funds sold and securities purchased under resale agreements	3,542	7,734	1,028	2,624	1,338	22	16,287
Securities borrowed	16,036	2,882	802	343	18	0	20,081
Financial assets at fair value through profit or loss[2]	277,645	258,627	61,162	52,904	11,183	5,889	667,411
Trading assets	46,398	10,956	12,024	17,729	5,833	2,471	95,410
Positive market values from derivative financial instruments	188,037	234,491	38,113	19,138	3,297	2,073	485,150
Financial assets designated at fair value through profit or loss	43,211	13,180	11,024	16,037	2,053	1,344	86,850
thereof:							
Securities purchased under resale agreement	13,622	10,684	7,401	13,667	1,165	866	47,404
Securities borrowed	18,697	1,498	937	4	0	0	21,136
Financial assets available for sale[2]	42,808	6,616	2,106	577	72	254	52,433
Loans[3]	44,116	52,421	127,682	121,213	42,941	14,273	402,645
thereof:							
IAS 39 reclassified loans	54	28	341	26	68	87	604
Securities held to maturity	3,206	0	0	0	0	0	3,206
Other assets subject to credit risk	26,594	25,791	9,656	13,091	630	273	76,036
Financial guarantees and other credit related contingent liabilities[4]	5,699	13,712	16,753	9,663	4,477	2,038	52,341
	21,479	45,635	47,480	29,274	18,173	4,022	166,063

Irrevocable lending commitments and other credit related commitments[4]							
Total	**621,650**	**421,112**	**270,058**	**230,615**	**79,025**	**27,013**	**1,649,473**

[1] All amounts at carrying value unless otherwise indicated.
[2] Excludes equities, other equity interests and commodities.
[3] Gross loans less deferred expense/unearned income before deductions of allowance for loan losses.
[4] Figures are reflected at notional amounts.

The overall decline in total credit exposure of 119.8 billion for December 31, 2017 is mainly due to an decrease in positive market value from derivative financial instruments in investment-grade rating categories, mainly in the category iA.

Main Credit Exposure Categories

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

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

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

Main Credit Exposure Categories by Business Divisions

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

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

									Dec 31, 2016
in m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style transactions[5]	Total
Corporate & Investment Bank	145,187	148,599	48,778	43,230	12,996	72,342	3,568	98,135	572,835
Private & Commercial Bank	264,385	16,976	2,985	737	0	1	17,360	4,290	306,734
Deutsche Asset Management	343	55	21	27	6	2,569	26	0	3,047
Non-Core Operations Unit	3,133	131	434	175	191	257	0	34	4,355

Consolidation & Adjustments	407	302	123	24	0	6,124	33,768	2,450	43,197
Total	**413,455**	**166,063**	**52,341**	**44,193**	**13,193**	**81,293**	**54,722**	**104,909**	**930,169**

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

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

Our main credit exposure decreased by 35.5 billion.

From a divisional perspective, decreases in exposure are observed across all divisions. Corporate & Investment Bank decreased by 20.7 billion is the main contributor to the overall decrease.

From a product perspective strong exposure reductions have been observed for OTC derivatives, Loans, Irrevocable lending commitments and Debt securities while an increase is observed for Traded Bonds.

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Main Credit Exposure Categories by Industry Sectors

									Dec 31, 2017
in m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style transactions[5]	Total
Financial intermediation	52,087	31,839	9,407	17,991	1,635	16,982	15,590	100,006	245,536
Fund management activities	18,668	6,213	173	1,232	306	737	53	44	27,426
Manufacturing	27,569	38,450	14,893	1,347	628	1,991	294		85,172
Wholesale and retail trade	19,246	10,684	5,623	413	388	501	50		36,905
Households	186,687	9,975	671	398	74				197,805
Commercial real estate activities	29,180	4,343	508	1,185	2,080	1,468	1	41	38,806
Public sector	13,510	844	138	3,510	611	54,989	30,301	4,694	108,597
Other	58,674	55,904	16,799	5,353	5,154	10,596	1,963	16	154,459
Total	**405,621**	**158,253**	**48,212**	**31,430**	**10,876**	**87,264**	**48,251**	**104,800**	**894,707**

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

									Dec 31, 2016
in m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style transactions[5]	Total
Financial intermediation	49,630	31,296	10,189	22,554	3,115	19,580	16,452	104,095	256,911
Fund management activities	26,062	6,843	53	1,441	115	1,322	183	59	36,077

Manufacturing	29,932	41,801	15,067	2,850	1,658	2,368	302	2	93,980
Wholesale and retail trade	16,733	10,473	5,607	518	443	556	30	0	34,360
Households	187,862	9,936	1,267	652	105	2	0	0	199,825
Commercial real estate activities	27,324	4,372	512	1,780	2,015	861	78	67	37,008
Public sector	15,707	1,795	189	6,457	629	47,265	35,515	480	108,037
Other	60,206	59,548	19,456	7,941	5,114	9,339	2,162	205	163,972
Total	**413,455**	**166,063**	**52,341**	**44,193**	**13,193**	**81,293**	**54,722**	**104,909**	**930,169**

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

The above table gives an overview of our credit exposure by industry, allocated based on the NACE code of the counterparty. NACE (Nomenclature des Activités Économiques dans la Communauté Européenne) is a European industry standard classification system.

From an industry classification perspective, our credit exposure is lower compared with last year mainly due to a decrease in Financial Intermediation by 11.4 billion, Other sectors by 9.5 billion, Manufacturing sector by 8.8 billion and Fund management activities by 8.7 billion, driven by lower OTC derivatives, Loans and Irrevocable lending commitments.

Loan exposures to the industry sectors Financial Intermediation, Manufacturing and Public sector comprise predominantly investment-grade loans. The portfolio is subject to the same credit underwriting requirements stipulated in our Principles for Managing Credit Risk , including various controls according to single name, country, industry and product-specific concentration.

Material transactions, such as loans underwritten with the intention to syndicate, are subject to review by senior credit risk management professionals and (depending upon size) an underwriting credit committee and/or the Management Board. High emphasis is placed on structuring such transactions so that de-risking is achieved in a timely and cost effective manner. Exposures within these categories are mostly to good quality borrowers and also subject to further risk mitigation as outlined in the description of our Credit Portfolio Strategies Group s activities.

Our household loans exposure amounting to 186.7 billion as of December 31, 2017 (187.9 billion as of December 2016) is principally associated with our Private & Commercial Bank portfolios. 150.2 billion (80 %) of the portfolio comprises mortgages, of which 121.4 billion are held in Germany. The remaining exposures (36.5 billion, 20 %) are predominantly Consumer and small business financing related. Given the largely homogeneous nature of this portfolio, counterparty credit-worthiness and ratings are predominately derived by utilizing an automated decision engine.

Mortgage business is principally the financing of owner-occupied properties sold by various business channels in Europe, primarily in Germany but also in Spain, Italy and Poland, with exposure normally not exceeding real estate value. Consumer finance is divided into personal instalment loans, credit lines and credit cards. Various lending requirements are stipulated, including (but not limited to) maximum loan amounts and maximum tenors and are adapted to regional conditions and/or circumstances of the borrower (i.e., for consumer loans a maximum loan amount taking into account household net income). Interest rates are mostly fixed over a certain period of time, especially in Germany. Second lien loans are not actively pursued.

The level of credit risk of the mortgage loan portfolio is determined by assessing the quality of the client and the underlying collateral. The loan amounts are generally larger than consumer finance loans and they are extended for longer time horizons. Consumer finance loan risk depends on client quality. Given that they are uncollateralized, compared with mortgages they are also smaller in value and are extended for shorter time. Based on our underwriting criteria and processes, diversified portfolio (customers/properties) and low loan-to-value (LTV) ratios, the mortgage portfolio is categorized as lower risk and consumer finance as medium risk.

Our commercial real estate loans, primarily in the U.S. and Europe, are generally secured by first mortgages on the underlying real estate property. Credit underwriting policy guidelines provide that LTV ratios of generally less than 75 % are maintained. Additionally, given the significance of the underlying collateral independent external appraisals are commissioned for all secured loans by a valuation team (part of the independent Credit Risk Management function) which is also responsible for reviewing and challenging the reported real estate values regularly.

The Commercial Real Estate Group only in exceptional cases retains mezzanine or other junior tranches of debt (although we do underwrite mezzanine loans). Loans originated for distribution are carefully monitored under a pipeline limit. Securitized loan positions are entirely sold (except where regulation requires retention of economic risk), while we frequently retain a portion of syndicated bank loans. This hold portfolio, which is held at amortized cost, is also subject to the aforementioned principles and policy guidelines. We also participate in conservatively underwritten unsecured lines of credit to well-capitalized real estate investment trusts and other public companies, which are generally investment-grade. We provide both fixed rate (generally securitized product) and floating rate loans, with interest rate exposure subject to hedging arrangements. In addition, sub-performing and non-performing loans and pools of loans are acquired from other financial institutions at generally substantial discounts to both the notional amounts and current collateral values. The underwriting process for these is stringent and the exposure is managed under separate portfolio limits. Commercial real estate property valuations and rental incomes can be significantly impacted by macro-economic conditions and underlying properties to idiosyncratic events. Accordingly, the portfolio is categorized as higher risk and hence subject to the aforementioned tight restrictions on concentration.

The category Other loans, with exposure of 58.7 billion as of December 31, 2017 (60.2 billion as of December 31, 2016) relates to numerous smaller industry sectors with no individual sector greater than 7 % of total loans.

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

The statement on focus industries below follows the Credit Risk Management view on industries, which can differ from the allocation on the basis of NACE codes.

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Our credit exposure to the focus industry Shipping & other maritime accounts for approximately 4.8 billion of which 3.7 billion pertains to vessel financings. The difference consists of to other maritime (e.g. port facilities, yards). The reduction of the vessel financing related exposure by more than 1 billion in 2017 demonstrates the bank s applied discipline to reduce exposure to this higher risk industry as well as the impact of the weakening of the US Dollar versus the Euro. Over a number of years, the shipping industry has suffered from persistent low earnings in oversupplied markets. Demand is driven by the macroeconomic environment and affected by geopolitical tensions and oil price movements. Container and dry bulk transportation segments were most severely impacted in 2016 and have experienced slightly improved freight rates in 2017 driven by significant scrapping and moderate new building activity. The tanker segment faced very high levels of scheduled deliveries for 2017 and 2018, which caused freight rates to fall notably in early 2017 from 2016 levels. Overall freight rates have now stabilized at the lower levels. Ongoing new building activity on global markets, which is occuring to an unknown extent, for example in China, poses a threat for further market developments. Any significant improvement in charter rates and subsequent asset values is not expected in the short term. A high portion of the portfolio is non-investment-grade rated in reflection of the prolonged challenging market conditions over recent years. A net provision for credit losses of 198 million before a release of provision for collectively assessed non-impaired loans was booked for the shipping industry portfolio in 2017.

The Oil & Gas and Metals, Mining & Steel industries both benefitted from recovering commodity prices in 2017. As of December 31, 2017, our loan exposure to the Oil & Gas industry is approximately 7 billion, the loan exposure to the Metals, Mining and Steel industry is approximately 4 billion. Overall, provisions for credit losses were lower than in 2016 for both industries.

Main credit exposure categories by geographical region

									Dec 31, 2017
in m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style transactions[5]	Total
Europe	299,937	65,739	27,574	18,353	3,149	33,120	35,304	26,648	509,825
thereof:									
Germany	199,867	27,483	10,739	1,661	146	4,912	12,414	3,421	260,644
United Kingdom	6,895	5,748	1,514	5,849	190	9,668	864	10,123	40,851
France	2,651	8,265	1,266	1,231	242	3,096	3,597	3,442	23,788
Luxembourg	15,983	2,858	484	1,102	247	1,017	6,142	711	28,544
Italy	21,836	1,642	3,657	1,750	497	4,167	642	820	35,012
Netherlands	8,304	6,498	1,627	2,292	493	2,022	2,793	82	24,112
Spain	13,250	1,866	3,046	704	227	2,188	946	987	23,213
Ireland	4,415	1,843	481	972	272	1,022	655	2,673	12,333
Switzerland	6,922	2,324	2,488	313	65	644	163	416	13,336
Poland	7,871	807	234	26	36	296	1,820	0	11,089
Belgium	1,177	1,280	405	352	12	601	1,574	0	5,401
Other Europe	10,765	5,124	1,633	2,099	723	3,486	3,696	3,975	31,500
North America	64,086	85,358	10,031	10,015	5,129	31,636	10,986	56,776	274,017
thereof:									
U.S.	53,795	80,776	9,489	8,036	4,750	29,972	10,623	44,659	242,101

Cayman Islands	2,312	1,951	52	700	103	1,041	17	9,162	15,336
Canada	838	1,564	110	1,092	87	272	346	1,688	5,996
Other North America	7,141	1,068	380	187	190	351	0	1,267	10,584
Asia/Pacific	34,469	4,447	8,967	2,254	1,735	20,319	1,025	19,909	93,126
thereof:									
Japan	1,093	276	349	366	66	4,760	15	10,354	17,278
Australia	1,477	1,076	128	277	310	3,716	588	1,453	9,026
India	7,034	717	1,645	219	86	3,973	0	1,517	15,191
China	4,393	378	1,195	263	2	836	0	3,130	10,198
Singapore	4,946	419	794	177	75	927	0	220	7,559
Hong Kong	4,224	385	598	144	551	399	2	45	6,348
Other Asia/Pacific	11,300	1,197	4,259	808	644	5,707	419	3,190	27,526
Other geographical areas	7,130	2,708	1,639	808	862	2,190	936	1,466	17,739
Total	**405,621**	**158,253**	**48,212**	**31,430**	**10,876**	**87,264**	**48,251**	**104,800**	**894,707**

[1] Includes impaired loans amounting to 6.2 billion as of December 31, 2017.

[2]Includes irrevocable lending commitments related to consumer credit exposure of 10.1 billion as of December 31, 2017.

[3]Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge accounting.

[4]Includes debt securities on financial assets available for sale and securities held to maturity.

[5]Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

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									Dec 31, 2016[6]
in m.	Loans[1]	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Traded Loans	Traded Bonds	Debt securities[4]	Repo and repo-style transactions[5]	Total
Europe	303,329	65,926	28,747	25,944	4,157	23,924	41,438	24,418	517,881
thereof:									
Germany	197,368	27,954	11,511	2,636	236	3,070	12,970	5,571	261,316
United Kingdom	7,942	7,331	1,422	7,925	519	4,224	1,929	9,327	40,620
France	2,703	5,854	1,373	1,436	216	2,255	4,866	1,830	20,534
Luxembourg	19,312	2,998	575	1,521	330	1,228	7,179	372	33,515
Italy	21,374	1,462	3,607	3,183	444	2,195	279	1,808	34,351
Netherlands	8,934	6,370	1,749	3,270	224	2,164	4,143	474	27,328
Spain	13,196	1,785	3,045	671	361	1,451	756	674	21,939
Ireland	5,113	1,742	465	1,525	305	1,251	746	1,216	12,364
Switzerland	7,350	2,285	2,044	243	162	1,134	186	230	13,635
Poland	7,402	702	208	65	6	281	1,542	0	10,205
Belgium	1,581	1,423	399	481	5	424	2,520	80	6,914
Other Europe	11,055	6,018	2,349	2,988	1,347	4,248	4,322	2,836	35,162
North America	69,921	92,699	12,013	12,162	6,471	36,332	11,444	61,771	302,814
thereof:									
U.S.	56,567	87,503	11,336	9,307	6,181	30,961	10,843	47,528	260,225
Cayman Islands	2,993	1,045	86	725	37	1,215	24	11,679	17,804
Canada	2,247	2,288	163	1,723	112	628	249	95	7,505
Other North America	8,115	1,863	428	406	142	3,528	328	2,470	17,279
Asia/Pacific	31,644	5,782	9,958	4,753	1,606	18,525	1,425	17,515	91,208
thereof:									
Japan	888	299	350	941	95	3,932	17	9,002	15,522
Australia	1,259	1,142	166	445	143	3,357	949	1,157	8,619
India	7,589	371	1,735	537	8	3,148	0	1,578	14,966
China	2,953	722	1,113	446	11	687	0	1,945	7,877
Singapore	3,885	434	807	142	419	1,528	1	280	7,497
Hong Kong	2,405	944	566	407	174	343	0	64	4,903
Other Asia/Pacific	12,664	1,869	5,221	1,834	757	5,531	458	3,490	31,824
Other geographical areas	8,561	1,655	1,624	1,334	960	2,513	414	1,204	18,266
Total	**413,455**	**166,063**	**52,341**	**44,193**	**13,193**	**81,293**	**54,722**	**104,909**	**930,169**

1 Includes impaired loans amounting to 7.4 billion as of December 31, 2016.

2 Includes irrevocable lending commitments related to consumer credit exposure of 10.3 billion as of December 31, 2016.

3 Includes the effect of netting agreements and cash collateral received where applicable. Excludes derivatives qualifying for hedge

accounting.

[4] Includes debt securities on financial assets available for sale and securities held to maturity.

[5] Before reflection of collateral and limited to securities purchased under resale agreements and securities borrowed.

[6] Comparatives have been restated to reflect the changes in the reported geographical areas.

The above table gives an overview of our credit exposure by geographical region, allocated based on the counterparty s country of domicile, see also section Credit Exposure to Certain Eurozone Countries of this report for a detailed discussion of the country of domicile view .

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

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

As of December 31, 2017, our loan book decreased to 405.6 billion (compared to 413.5 billion as of December 31, 2016) mainly as a result of lower levels of exposures in Luxembourg and the United States. Our Fund Management activities, household and manufacturing loan books experienced the largest decreases. The decrease in loans in Western Europe and United States was primarily due to reduced loan balances across businesses as well as by a strengthening of the Euro in comparison to the US dollar. Traded bonds increased by 6.0 billion mainly in Europe region driven by an increased client activity and an increased bond positions in EU rates business. Debt securities reduced by 6.5 billion majorly in the United Kingdom and the Netherlands mainly due to sale of available for sale bonds.

Credit Exposure to Certain Eurozone Countries

Certain Eurozone countries are presented within the table below due to concerns relating to sovereign risk.

In our country of domicile view we aggregate credit risk exposures to counterparties by allocating them to the domicile of the primary counterparty, irrespective of any link to other counterparties, or in relation to credit default swaps underlying reference assets from, these Eurozone countries. Hence we also include counterparties whose group parent is located outside of these countries and exposures to special purpose entities whose underlying assets are from entities domiciled in other countries.

The following table, which is based on the country of domicile view, presents our gross position, the included amount thereof of undrawn exposure and our net exposure to these Eurozone countries. The gross exposure reflects our net credit risk exposure grossed up for net credit derivative protection purchased with underlying reference assets domiciled in one of these countries, guarantees received and collateral. Such collateral is particularly held with respect to the retail portfolio, but also for financial institutions predominantly based on derivative margining arrangements, as well as for corporates. In addition, the amounts also reflect the allowance for credit losses. In some cases, our counterparties ability to draw on undrawn commitments is limited by terms included in the specific contractual documentation. Net credit exposures are presented after effects of collateral held, guarantees received and further risk mitigation, including net notional amounts of credit derivatives for protection sold/bought. The provided gross and net exposures to certain European countries do not include credit derivative tranches and credit derivatives in relation to our correlation business which, by design, is structured to be credit risk neutral. Additionally, the tranche and correlated nature of these positions does not allow a meaningful disaggregated notional presentation by country, e.g., as identical notional exposures represent different levels of risk for different tranche levels.

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

	Sovereign		Financial Institutions		Corporates		Retail		Other		Total	
in m.	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017[1]	Dec 31, 2016
Greece												
Gross	55	89	734	743	526	986	5	6		0	1,320	1,824
Undrawn		0	30	31	5	21		0		0	36	52
Net	38	83	270	258	8	15	1	1		0	317	357
Ireland												
Gross	865	826	927	908	7,556	9,280	31	31	2,275[2]	3,263[2]	11,654	14,308
Undrawn		0	4	42	2,005	2,000		1	316[2]	172[2]	2,326	2,214
Net	717	569	477	352	4,420	5,374	6	5	2,275[2]	3,459[2]	7,895	9,759
Italy												
Gross	2,875	2,735	3,338	3,051	12,050	10,591	16,489	17,122	147	358	34,898	33,857
Undrawn	13	32	28	74	5,162	4,730	96	208		26	5,300	5,069
Net	1,015	438	672	920	8,202	7,514	7,633	7,288	146	344	17,669	16,504
Portugal												
Gross	(227)	61	185	127	1,329	1,424	1,757	1,674	80	65	3,123	3,352
Undrawn		0	75	12	374	232	24	12		0	474	256
Net	(223)	79	115	73	893	1,205	134	143	80	65	998	1,564

Spain												
Gross	1,672	1,325	1,301	1,947	9,106	8,340	9,570	9,770	128	112	21,777	21,493
Undrawn		0	225	261	4,583	4,310	259	283		3	5,068	4,858
Net	1,554	1,195	552	971	7,113	6,643	2,117	1,935	128	265	11,464	11,009
Total gross	**5,240**	5,037	**6,485**	6,776	**30,566**	30,621	**27,851**	28,603	**2,629**	3,797	**72,771**	74,835
Total undrawn	**14**	33	**364**	419	**12,130**	11,292	**380**	504	**316**	202	**13,203**	12,449
Total net[3]	**3,102**	2,364	**2,086**	2,574	**20,637**	20,751	**9,891**	9,371	**2,629**	4,133	**38,344**	39,194

1 Approximately 71 % of the overall exposure as per December 31, 2017 will mature within the next 5 years.

2 Other exposures to Ireland include exposures to counterparties where the domicile of the group parent is located outside of Ireland as well as exposures to special purpose entities whose underlying assets are from entities domiciled in other countries.

3 Total net exposure excludes credit valuation reserves for derivatives amounting to 64.6 million as of December 31, 2017 and 281 million as of December 31, 2016.

Total net exposure to the above selected Eurozone countries decreased by 850 million in 2017 driven by decreased exposure in Ireland and Portugal, partly offset by an increase in Italy and Spain.

Sovereign Credit Risk Exposure to Certain Eurozone Countries

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

Sovereign credit risk exposure to certain Eurozone countries

				Dec 31, 2017				Dec 31, 2016
				Memo Item:				Memo Item:
in m.	Direct Sovereign exposure[1]	Net Notional of CDS referencing sovereign debt	Net sovereign exposure	Net fair value of CDS referencing sovereign debt[2]	Direct Sovereign exposure[1]	Net Notional of CDS referencing sovereign debt	Net sovereign exposure	Net fair value of CDS referencing sovereign debt[2]
Greece	55	(17)	38	0	89	(6)	83	2
Ireland	709	9	717	0	569	0	569	74
Italy	2,834	(1,818)	1,016	49	2,662	(2,223)	438	398
Portugal	(227)	3	(223)	0	61	17	79	(8)
Spain	1,669	(115)	1,554	35	1,322	(127)	1,195	279
Total	**5,040**	**(1,938)**	**3,102**	**84**	**4,703**	**(2,339)**	**2,364**	**744**

[1] Includes sovereign debt classified as financial assets/liabilities at fair value through profit or loss, available for sale and loans carried at amortized cost. Direct Sovereign exposure is net of guarantees received and collateral.

[2] The amounts reflect the net fair value in relation to credit default swaps referencing sovereign debt of the respective country representing the counterparty credit risk.

The increase of 738 million in net sovereign exposure compared with year-end 2016 mainly reflects increases in debt securities in Italy and Spain.

The above represents direct sovereign exposure included the carrying value of loans held at amortized cost to sovereigns, which as of December 31, 2017, amounted to 225 million for Italy and 427 million for Spain and as of December 31, 2016 amounted to 261 million for Italy and 401 million for Spain.

Credit Exposure Classification

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

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

Corporate Credit Exposure

The tables below show our Corporate Credit Exposure by product types and internal rating bands. Please refer to section Measuring Credit Risk for more details about our internal ratings.

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

in m.
(unless stated otherwise)

							Dec 31, 2017
Ratingband	Probability of default in %[1]	Loans	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Debt securities[4]	Total
iAAA iAA	> 0.00 £ 0.04	38,743	18,643	5,108	13,025	39,405	114,924
iA	> 0.04 £ 0.11	39,428	44,388	13,899	8,416	6,277	112,407
iBBB	> 0.11 £ 0.5	56,245	51,021	16,165	5,204	2,174	130,809
iBB	> 0.5 £ 2.27	41,888	25,652	7,882	3,390	371	79,183
iB	> 2.27 £ 10.22	23,556	15,286	3,434	1,174	5	43,456
iCCC and below	> 10.22 £ 100	13,688	3,264	1,723	220	19	18,913
Total		**213,547**	**158,253**	**48,212**	**31,430**	**48,251**	**499,693**

[1] Reflects the probability of default for a one year time horizon.
[2] Includes irrevocable lending commitments related to consumer credit exposure of 10.1 billion as of December 31, 2017.
[3] Includes the effect of netting agreements and cash collateral received where applicable.
[4] Includes debt securities on financial assets available for sale and securities held to maturity.

in m.
(unless stated otherwise)

Ratingband	Probability of default in %[1]	Loans	Irrevocable lending commitments[2]	Contingent liabilities	OTC derivatives[3]	Debt securities[4]	Total
							Dec 31, 2016
iAAA iAA	> 0.00 £ 0.04	43,149	21,479	5,699	16,408	46,014	132,749
iA	> 0.04 £ 0.11	39,734	45,635	13,712	12,566	6,616	118,264
iBBB	> 0.11 £ 0.5	57,287	47,480	16,753	8,300	1,696	131,515
iBB	> 0.5 £ 2.27	46,496	29,274	9,663	5,333	366	91,132
iB	> 2.27 £ 10.22	22,920	18,173	4,477	1,053	9	46,631
iCCC and below	> 10.22 £ 100	15,069	4,022	2,038	533	21	21,683
Total		**224,655**	**166,063**	**52,341**	**44,193**	**54,722**	**541,974**

1 Reflects the probability of default for a one year time horizon.
2 Includes irrevocable lending commitments related to consumer credit exposure of 10.3 billion as of December 31, 2016.
3 Includes the effect of netting agreements and cash collateral received where applicable.
4 Includes debt securities on financial assets available for sale and securities held to maturity.

The above table shows an overall decrease in our corporate credit exposure in 2017 of 42.3 billion or 7.8 %. Loans decreased by 11.1 billion, mainly attributable to Luxembourg and the United States. The decrease is primarily due to reduced loan balance across businesses as well as by a strengthening of the Euro in comparison to the US Dollar. Debt securities decreased by 6.5 billion, almost entirely related to the top rating band and mainly due to sale of debt securities available for sale. The decrease in irrevocable lending commitments of 7.8 billion was primarily attributable to North America and Asia/Pacific. The quality of the corporate credit exposure before risk mitigation is at 72 % share of investment-grade rated exposures as of December 2017 compared to 71% as of December 31, 2016.

We use risk mitigation techniques as described above to optimize our corporate credit exposure and reduce potential credit losses. The tables below disclose the development of our corporate credit exposure net of collateral, guarantees and hedges.

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

in m.
(unless stated otherwise)

Rating band	Probability of default in %[2]	Loans	Irrevocable lending commitments	Contingent liabilities	OTC derivatives	Debt securities	Total
							Dec 31, 2017[1]
iAAA iAA	> 0.00 £ 0.04	27,580	18,281	4,272	7,370	39,405	96,907
iA	> 0.04 £ 0.11	25,355	42,104	11,882	6,528	6,277	92,146

iBBB	> 0.11 £ 0.5	32,131	49,095	13,461	4,490	2,174	101,351
iBB	> 0.5 £ 2.27	18,845	24,056	5,267	2,506	371	51,046
iB	> 2.27 £ 10.22	8,306	14,130	2,097	1,106	5	25,645
iCCC and below	> 10.22 £ 100	4,157	2,540	629	216	15	7,557
Total		**116,374**	**150,206**	**37,608**	**22,216**	**48,247**	**374,652**

[1] Net of eligible collateral, guarantees and hedges based on IFRS requirements.
[2] Reflects the probability of default for a one year time horizon.

in m.
(unless stated otherwise)

							Dec 31, 2016[1]
Rating band	Probability of default in %[2]	Loans	Irrevocable lending commitments	Contingent liabilities	OTC derivatives	Debt securities	Total
iAAA iAA	> 0.00 £ 0.04	32,305	19,653	4,351	10,480	46,014	112,802
iA	> 0.04 £ 0.11	24,970	41,435	11,393	10,032	6,616	94,448
iBBB	> 0.11 £ 0.5	28,369	43,659	13,845	7,439	1,672	94,984
iBB	> 0.5 £ 2.27	19,573	27,206	5,932	4,034	361	57,105
iB	> 2.27 £ 10.22	8,090	16,745	2,176	1,020	9	28,041
iCCC and below	> 10.22 £ 100	5,954	2,872	889	509	21	10,246
Total		**119,261**	**151,571**	**38,586**	**33,514**	**54,694**	**397,626**

1 Net of eligible collateral, guarantees and hedges based on IFRS requirements.
2 Reflects the probability of default for a one year time horizon.

The corporate credit exposure net of collateral amounted to 374.7 billion as of December 31, 2017 reflecting a risk mitigation of 25 % or 125.0 billion compared to the corporate gross exposure. This includes a more significant reduction of 46 % for our loans exposure which includes a reduction by 60 % for the lower rated sub-investment-grade rated loans and 37 % for the higher-rated investment-grade rated loans. The risk mitigation for the total exposure in the weakest rating band was 60 %, which was significantly higher than 16 % in the strongest rating band.

The risk mitigation of 125.0 billion is split into 20 % guarantees and hedges and 80 % other collateral.

CPSG Risk Mitigation for the Corporate Credit Exposure

Our Credit Portfolio Strategies Group (CPSG) helps mitigate the risk of our corporate credit exposures. The notional amount of CPSG s risk reduction activities decreased from 43.3 billion as of December 31, 2016, to 32.7 billion as of December 31, 2017. The notional of risk reduction activities reduced across the course of 2017 following Management Board approval granted in 2016 to increase the Group s risk appetite for Investment Grade exposures.

As of year-end 2017, CPSG mitigated the credit risk of 32 billion of loans and lending-related commitments as of December 31, 2017, through synthetic collateralized loan obligations supported predominantly by financial guarantees. This position totalled 42.2 billion as of December 31, 2016.

CPSG also held credit derivatives with an underlying notional amount of 0.7 billion. The position totalled 1.1 billion as of December 31, 2016. The credit derivatives used for our portfolio management activities are accounted for at fair value.

CPSG has elected to use the fair value option under IAS 39 to report loans and commitments at fair value, provided the criteria for this option are met. The notional amount of CPSG loans and commitments reported at fair value decreased during the year to 2.8 billion as of December 31, 2017, from 3.9 billion as of December 31, 2016.

Consumer Credit Exposure

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

Consumer credit exposure, consumer loan delinquencies and net credit costs

	Total exposure in m.		90 days or more past due as a % of total exposure[1]		Net credit costs as a % of total exposure[2]	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Consumer credit exposure Germany:	153,728	150,639	0.73	0.75	0.12	0.13
Consumer and small business financing	21,224	20,316	2.96	2.45	1.07	0.99
Mortgage lending	132,505	130,323	0.37	0.48	-0.03	0.00
Consumer credit exposure outside Germany	38,345	38,162	3.77	4.22	0.39	0.68
Consumer and small business financing	15,298	13,663	6.54	8.44	0.78	0.98
Mortgage lending	23,047	24,499	1.93	1.87	0.12	0.51
Total consumer credit exposure	**192,074**	**188,801**	**1.34**	**1.45**	**0.17**	**0.24**

1 Includes impaired loans amounting to 2.8 billion as of December 31, 2017and 3.1 billion as of December 31, 2016.
2 Net credit costs for the twelve months period ended at the respective balance sheet date divided by the exposure at that balance sheet date.

The volume of our consumer credit exposure increased from year-end 2016 to December 31, 2017 by 3.3 billion, or 1.7 %, driven by our loan books in Germany, which increased by 3.1 billion and in India, which increased by 239 million. Our loan book in Spain decreased by 116 million and in Italy by 111 million, which were partially driven by non-performing loan sales.

The 90 days or more past due ratio of our consumer credit exposure decreased from 1.45 % as of year-end 2016 to 1.34 % as of December 31, 2017. The total net credit costs as a percentage of our consumer credit exposure decreased from 0.24 % as of year-end 2016 to 0.17 % as of December 31, 2017. This ratio was positively affected by the further improved and stabilized environment in countries in which we operate and by non-performing loan sales in Spain and Italy.

Consumer mortgage lending exposure grouped by loan-to-value buckets[1]

	Dec 31, 2017	Dec 31, 2016
£ 50 %	68%	68%
> 50 £ 70 %	16%	16%
> 70 £ 90 %	9%	9%
> 90 £ 100 %	3%	3%
> 100 £ 110 %	2%	2%
> 110 £ 130 %	1%	1%
> 130 %	1%	1%

1 When assigning the exposure to the corresponding LTV buckets, the exposure amounts are distributed according to their relative share of the underlying assessed real estate value.

The LTV expresses the amount of exposure as a percentage of assessed value of real estate.

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Our LTV ratios are calculated using the total exposure divided by the current assessed value of the respective properties. These values are updated on a regular basis. The exposure of transactions that are additionally backed by liquid collateral is reduced by the respective collateral values, whereas any prior charges increase the corresponding total exposure. The LTV calculation includes exposure which is secured by real estate collateral. Any mortgage lending exposure that is collateralized exclusively by any other type of collateral is not included in the LTV calculation.

The creditor s creditworthiness, the LTV and the quality of collateral is an integral part of our risk management when originating loans and when monitoring and steering our credit risks. In general, we are willing to accept higher LTV s, the better the creditor s creditworthiness is. Nevertheless, restrictions of LTV apply for countries with negative economic outlook or expected declines of real estate values.

As of December 31, 2017, 68 % of our exposure related to the mortgage lending portfolio had a LTV ratio below or equal to 50 %, unchanged to the previous year.

Credit Exposure from Derivatives

All exchange traded derivatives are cleared through central counterparties (CCPs), the rules and regulations of which provide for daily margining of all current and future credit risk positions emerging out of such transactions. To the extent possible, we also use CCP services for OTC derivative transactions (OTC clearing); we thereby benefit from the credit risk mitigation achieved through the CCP s settlement system.

The Dodd-Frank Act provides for an extensive framework for the regulation of OTC derivatives, including mandatory clearing, exchange trading and transaction reporting of certain OTC derivatives, as well as rules regarding the registration of, and capital, margin and business conduct standards for, swap dealers, security-based swap dealers, major swap participants and major security-based swap participants. The Dodd-Frank Act and related CFTC rules introduced in 2013 mandatory OTC clearing in the United States for certain standardized OTC derivative transactions, including certain interest rate swaps and index credit default swaps. The European Regulation (EU) No 648/2012 on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) introduced a number of risk mitigation techniques for non-centrally cleared OTC derivatives in 2013 and the reporting of OTC and exchange traded derivatives in 2014. Mandatory clearing for certain standardized OTC derivatives transactions in the EU began in June 2016, and margin requirements for uncleared OTC derivative transactions in the EU started in February 2017. Deutsche Bank implemented the exchange of both initial and variation margin in the EU from February 2017 for the first category of counterparties subject to the EMIR margin for uncleared derivatives requirements. All other in-scope entities followed the variation margin requirements from March 1, 2017. Initial margin requirements are subject to a phased implementation schedule which will be fully applied by September 2020.

The CFTC adopted final rules in 2016 that require additional interest rate swaps to be cleared, with a phased implementation schedule ending in October 2018. Deutsche Bank implemented the CFTC s expanded clearing requirements for the relevant interest rate swaps subject to the 2017 compliance schedule, covering identified instruments denominated in AUD, CAD, HKD, NOK, PLN, and SEK. In December 2016, also pursuant to the Dodd-Frank Act, the CFTC re-proposed regulations to impose position limits on certain commodities and economically equivalent swaps, futures and options. This proposal has not yet been finalized. The Securities and Exchange Commission (SEC) has also finalized rules regarding registration, business conduct standards and trade acknowledgement and verification requirements for security- based swap dealers and major security-based swap participants, although these rules will not come into effect until the SEC completes further security-based swap rulemakings. Finally, U.S. prudential regulators (the Federal Reserve, the FDIC, the Office of the Comptroller of the Currency, the Farm Credit Administration and the Federal Housing Finance Agency) have adopted final rules establishing margin requirements for non-cleared swaps and security-based swaps, and the CFTC has adopted final rules establishing margin requirements for non-cleared swaps. The final margin rules follow a phased implementation schedule, with certain initial margin and variation margin requirements in effect as of September 2016, additional variation margin requirements in effect as of March 1, 2017 for all covered counterparties. Deutsche Bank implemented the exchange of both initial and variation margin for uncleared derivatives in the U.S. from September 2016, for the first category of counterparties subject to the U.S. prudential regulators margin requirements. Additional initial margin requirements for smaller counterparties

are phased in on an annual basis from September 2017 through September 2020, with the relevant compliance dates depending in each case on the transactional volume of the parties and their affiliates.

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The following table shows a breakdown of notional amounts and gross market value of derivative transactions along with a breakdown of notional amounts of OTC derivative assets and liabilities on the basis of clearing channel.

Notional amounts of derivatives on basis of clearing channel and type of derivative

							Dec 31, 2017
	Notional amount maturity distribution						
in m.	Within 1 year	> 1 and £ 5 years	After 5 years	Total	Positive market value	Negative market value	Net market value
Interest rate related:							
OTC	18,389,853	9,644,152	5,862,868	33,896,874	224,783	202,492	22,291
Bilateral (Amt)	2,231,176	2,624,101	1,989,543	6,844,820	200,520	177,989	22,532
CCP (Amt)	16,158,677	7,020,051	3,873,326	27,052,054	24,262	24,503	(241)
Exchange-traded	4,100,955	1,379,528	155	5,480,638	250	275	(25)
Total Interest rate related	**22,490,809**	**11,023,680**	**5,863,023**	**39,377,512**	**225,033**	**202,767**	**22,266**
Currency related:							
OTC	4,265,081	1,036,897	470,541	5,772,518	82,392	75,535	6,858
Bilateral (Amt)	4,209,509	1,036,536	470,541	5,716,586	81,597	74,823	6,774
CCP (Amt)	55,572	361	0	55,932	795	712	83
Exchange-traded	48,252	0	0	48,252	19	18	1
Total Currency related	**4,313,333**	**1,036,897**	**470,541**	**5,820,771**	**82,411**	**75,553**	**6,859**
Equity/index related:							
OTC	301,662	156,272	19,248	477,182	18,201	23,010	(4,810)
Bilateral (Amt)	301,662	156,272	19,248	477,182	18,201	23,010	(4,810)
CCP (Amt)	0	0	0	0	0	0	0

Exchange-traded	732,870	107,631	5,398	845,900	9,986	12,708	(2,722)
Total Equity/index related	**1,034,533**	**263,903**	**24,647**	**1,323,082**	**28,187**	**35,718**	**(7,531)**
Credit derivatives related							
OTC	209,376	1,321,066	153,867	1,684,309	28,317	27,888	429
Bilateral (Amt)	91,919	204,583	49,442	345,944	5,363	4,779	584
CCP (Amt)	117,457	1,116,482	104,426	1,338,365	22,954	23,108	(154)
Exchange-traded	0	0	0	0	0	0	0
Total Credit derivatives related	**209,376**	**1,321,066**	**153,867**	**1,684,309**	**28,317**	**27,888**	**429**
Commodity related:							
OTC	3,431	995	2,015	6,441	35	1,485	(1,449)
Bilateral (Amt)	3,431	995	2,015	6,441	35	1,485	(1,449)
CCP (Amt)	0	0	0	0	0	0	0
Exchange-traded	39,955	4,163	0	44,119	187	214	(27)
Total Commodity related	**43,386**	**5,158**	**2,015**	**50,560**	**222**	**1,699**	**(1,476)**
Other:							
OTC	3,744	765	0	4,509	9	371	(362)
Bilateral (Amt)	3,744	765	0	4,509	9	371	(362)
CCP (Amt)	0	0	0	0	0	0	0
Exchange-traded	5,196	1	0	5,197	5	26	(20)
Total Other	**8,940**	**766**	**0**	**9,706**	**14**	**397**	**(382)**
Total OTC business	**23,173,146**	**12,160,146**	**6,508,540**	**41,841,833**	**353,737**	**330,780**	**22,957**
Total bilateral business	**6,841,441**	**4,023,253**	**2,530,789**	**13,395,482**	**305,726**	**282,457**	**23,269**
Total CCP business	**16,331,705**	**8,136,894**	**3,977,751**	**28,446,351**	**48,012**	**48,324**	**(312)**
Total exchange-traded business	**4,927,230**	**1,491,323**	**5,553**	**6,424,106**	**10,447**	**13,240**	**(2,793)**
Total	**28,100,376**	**13,651,470**	**6,514,093**	**48,265,939**	**364,185**	**344,020**	**20,164**
Positive market values after netting and cash collateral received	**0**	**0**	**0**	**0**	**32,083**	**0**	**0**

	Notional amount maturity distribution						Dec 31, 2016
in m.	Within 1 year	> 1 and £ 5 years	After 5 years	Total	Positive market value	Negative market value	Net market value
Interest rate related:							
OTC	13,214,990	8,828,544	6,102,510	28,146,044	309,405	284,954	24,451
Bilateral (Amt)	2,777,349	3,625,915	2,645,075	9,048,340	272,059	248,396	23,664
CCP (Amt)	10,437,641	5,202,629	3,457,434	19,097,704	37,346	36,558	787
Exchange-traded	5,013,591	1,387,444	1,174	6,402,209	326	394	(68)
Total Interest rate related	**18,228,581**	**10,215,988**	**6,103,684**	**34,548,253**	**309,731**	**285,348**	**24,382**
Currency related:							
OTC	3,994,113	1,053,558	537,044	5,584,715	129,731	126,480	3,251
Bilateral (Amt)	3,938,295	1,053,434	537,044	5,528,773	129,288	126,049	3,239
CCP (Amt)	55,818	124	0	55,942	443	431	12
Exchange-traded	29,431	398	35	29,864	6	54	(48)
Total Currency related	**4,023,544**	**1,053,956**	**537,078**	**5,614,579**	**129,738**	**126,534**	**3,203**
Equity/index related:							
OTC	366,170	168,529	25,313	560,012	20,358	23,692	(3,334)
Bilateral (Amt)	366,170	168,529	25,313	560,012	20,358	23,692	(3,334)
CCP (Amt)	0	0	0	0	0	0	0
Exchange-traded	472,888	74,045	9,006	555,939	6,172	8,575	(2,402)
Total Equity/index related	**839,058**	**242,574**	**34,319**	**1,115,951**	**26,531**	**32,266**	**(5,736)**
Credit derivatives related							
OTC	297,563	1,076,954	142,572	1,517,089	21,297	22,399	(1,102)

Bilateral (Amt)	157,950	298,313	58,852	515,115	7,426	8,238	(811)
CCP (Amt)	139,613	778,640	83,720	1,001,974	13,870	14,161	(291)
Exchange-traded	0	0	0	0	0	0	0
Total Credit derivatives related	**297,563**	**1,076,954**	**142,572**	**1,517,089**	**21,297**	**22,399**	**(1,102)**
Commodity related:							
OTC	2,660	1,657	9,222	13,539	479	653	(175)
Bilateral (Amt)	2,660	1,657	9,222	13,539	479	653	(175)
CCP (Amt)	0	0	0	0	0	0	0
Exchange-traded	53,757	8,766	0	62,523	440	503	(63)
Total Commodity related	**56,417**	**10,423**	**9,222**	**76,062**	**918**	**1,156**	**(238)**
Other:							
OTC	13,994	6,856	98	20,948	443	719	(276)
Bilateral (Amt)	13,963	6,856	98	20,917	433	698	(265)
CCP (Amt)	31	0	0	31	10	21	(11)
Exchange-traded	4,929	0	0	4,929	10	29	(18)
Total Other	**18,923**	**6,856**	**98**	**25,877**	**453**	**747**	**(295)**
Total OTC business	**17,889,490**	**11,136,098**	**6,816,759**	**35,842,347**	**481,712**	**458,897**	**22,816**
Total bilateral business	**7,256,387**	**5,154,704**	**3,275,604**	**15,686,696**	**430,043**	**407,725**	**22,318**
Total CCP business	**10,633,102**	**5,981,394**	**3,541,155**	**20,155,651**	**51,669**	**51,172**	**497**
Total exchange-traded business	**5,574,597**	**1,470,653**	**10,214**	**7,055,464**	**6,954**	**9,555**	**(2,600)**
Total	**23,464,086**	**12,606,751**	**6,826,973**	**42,897,811**	**488,667**	**468,451**	**20,215**
Positive market values after netting and cash collateral received	**0**	**0**	**0**	**0**	**44,784**	**0**	**0**

Equity Exposure

The table below presents the carrying values of our equity investments according to IFRS definition split by trading and nontrading for the respective reporting dates. We manage our respective positions within our market risk and other appropriate risk frameworks.

Composition of our Equity Exposure

in m.	Dec 31, 2017	Dec 31, 2016
Trading Equities	85,932	75,633
Nontrading Equities[1]	2,496	2,979

Total Equity Exposure	**88,427**	**78,613**

[1] Includes equity investment funds amounting to 367 million as of December 31, 2017 and 288 million as of December 31, 2016.

As of December 31, 2017, our Trading Equities exposure was mainly composed of 84.8 billion from Corporate & Investment Bank activities and 1.2 billion from the Deutsche Asset Management business. Overall trading equities increased by 10.3 billion year on year driven mainly by increased exposure in Corporate & Investment Bank activities.

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Asset Quality

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

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

			Dec 31, 2017			Dec 31, 2016
in m.	Corporate loans	Consumer loans	Total	Corporate loans	Consumer loans	Total
Loans neither past due, nor renegotiatedor impaired	208,457	185,979	394,436	219,106	182,760	401,865
Past due loans, neither renegotiated nor impaired	1,167	2,778	3,945	882	2,445	3,327
Loans renegotiated, but not impaired	518	488	1,006	357	459	816
Impaired loans	3,406	2,828	6,234	4,310	3,137	7,447
Total	**213,547**	**192,074**	**405,621**	**224,655**	**188,801**	**413,455**

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.

Non-impaired past due loans at amortized cost by past due status

in m.	Dec 31, 2017	Dec 31, 2016
Loans less than 30 days past due	2,747	2,116
Loans 30 or more but less than 60 days past due	482	494
Loans 60 or more but less than 90 days past due	250	268
Loans 90 days or more past due	776	484

Total	**4,255**	**3,363**

Non-impaired past due loans at amortized cost by industry

in m.	Dec 31, 2017	Dec 31, 2016
Financial intermediation	267	95
Fund management activities	40	28
Manufacturing	179	278
Wholesale and retail trade	233	172
Households	2,481	2,076
Commercial real estate activities	363	190
Public sector	10	12
Other	682	512
Total	**4,255**	**3,363**

Non-impaired past due loans at amortized cost by region

in m.	Dec 31, 2017	Dec 31, 2016
Germany	1,810	1,299
Western Europe (excluding Germany)	1,758	1,531
Eastern Europe	158	155
North America	343	233
Central and South America	6	18
Asia/Pacific	161	113
Africa	19	14
Other	0	0
Total	**4,255**	**3,363**

Our non-impaired past due loans increased by 892 million to 4.3 billion as of December 31, 2017, largely caused by loans, that were overdue by a few days. The main business line driving this increase was PCB.

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Aggregated value of collateral with the fair values of collateral capped at loan outstanding held against our non-impaired past due loans

in m.	Dec 31, 2017	Dec 31, 2016
Financial and other collateral	2,364	1,775
Guarantees received	148	148
Total	**2,512**	**1,923**

Our aggregated value of collateral held against our non-impaired past due loans as of December 31, 2017 increased in line with the increase of non-impaired past due loans compared to prior year.

Renegotiated and Forborne Loans

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 instalments 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 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.

In our management and reporting of forborne loans, we are following the EBA definition for forbearances and non-performing loans (Implementing Technical Standards (ITS) on Supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013). 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 discontinuance criteria in the ITS are met (i.e., the contract is considered as performing, a minimum 2 year probation period has passed, regular payments of more than an insignificant aggregate amount of principal or interest have been made during at least half of the probation period, and none of the exposures to the debtor is more than 30 days past-due at the end of the probation period).

Forborne Loans

	Dec 31, 2017				Dec 31, 2016			
				Total				Total
	Performing		Non-performing	forborne loans	Performing		Non-performing	forborne loans
in m.	Nonimpaired	Nonimpaired	Impaired		Nonimpaired	Nonimpaired	Impaired	
German	1,109	569	711	2,390	907	374	983	2,264

Non-German	445	529	1,248	2,222	799	709	1,697	3,204
Total	**1,554**	**1,099**	**1,959**	**4,612**	**1,706**	**1,083**	**2,679**	**5,468**

The total forborne loans in 2017 decreased by 857 million mainly driven by non-performing forborne loans to non-German clients mainly reflecting non-performing loan sales in our shipping portfolio reported in CIB as well as in PCC International.

Development of Forborne Loans

in m.	**Dec 31, 2017**
Balance beginning of period	**5,468**
Classified as forborne during the year	1,015
Transferred to non forborne during the year (including repayments)	(1,518)
Charge-offs	(234)
Exchange rate and other movements	(119)
Balance end of period	**4,612**

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 Group Finance and Risk Senior Management.

For further details with regard to impaired loans please refer to Note 1 Significant Accounting Policies and Critical Accounting Estimates . 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 de-recognition 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.

For further details regarding our accounting policies regarding impairment loss and allowance for credit losses, please refer to Note 1 Significant Accounting Policies and Critical Accounting Estimates .

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

							2017 increase (decrease)	
			Dec 31, 2017			Dec 31, 2016[3]		from 2016
in m.	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Loan loss allowance	Impaired loan coverage ratio in %	Impaired loans	Impaired loan coverage ratio in ppt
Corporate & Investment Bank	2,517	1,565	62	3,007	1,893	63	(490)	(1)
Private & Commercial Bank	3,717	2,355	63	3,646	2,217	61	71	3
Deutsche Asset Management	0	0	N/M	0	1	N/M[1]	0	N/M
Non-Core Operations Unit[2]	0	0	N/M	794	462	58	(794)	N/M
thereof: assets reclassi-fied to loans and receiva-bles according to IAS 39	0	0	N/M	92	69	75	(92)	N/M
Consolidation & Adjustments	1	1	N/M[1]	0	4	N/M[1]	0	N/M
Total	**6,234**	**3,921**	**63**	**7,447**	**4,546**	**61**	**(1,213)**	**2**

N/M - not meaningful.

[1] Allowance in Consolidation & Adjustments and Other and Deutsche Asset Management fully consists of collectively assessed allowance for non-impaired loans.

[2] From 2017 onwards, Non-Core Operations Unit (NCOU) ceased to exist as a standalone division. The remaining impaired assets and the corresponding loan loss allowance as of December 31, 2016 are now managed by the corresponding core operating segments, predominantly Private & Commercial Bank.

[3] 2016 Impaired loans and Loan loss allowance numbers have been restated to reflect restructuring of business areas.

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

								Dec 31, 2017
	Impaired Loans			Loan loss allowance				
in m.	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 %
Financial intermediation	121	8	129	1	3	40	44	34
Fund management activities	8	8	16	1	0	3	4	24
Manufacturing	520	165	685	439	146	51	635	93
Wholesale and retail trade	333	188	521	211	156	27	394	76
Households	155	2,233	2,388	153	1,290	83	1,526	64
Commercial real estate activities	345	30	376	115	11	42	168	45
Public sector	74	0	74	6	0	12	17	24
Other[1]	1,792	254	2,046	840	139	153	1,132	55
Total	**3,348**	**2,886**	**6,234**	**1,766**	**1,745**	**410**	**3,921**	**63**

[1] Thereof: Transportation, storage and communication - Total Impaired Loans 808 million/Total Loan loss allowance 469 million. Real estate; renting and business activities - 482 million/ 234 million, Construction - 378 million/ 144 million, Mining and quarrying - 169 million/ 116 million.

								Dec 31, 2016
	Impaired Loans			Loan loss allowance				
in m.	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 %
Financial intermediation	122	11	133	27	3	47	77	58
Fund management activities	14	7	21	1	0	4	5	26

Manufacturing	524	229	754	476	149	82	707	94
Wholesale and retail trade	472	234	707	223	161	29	413	58
Households	193	2,467	2,661	220	1,466	67	1,754	66
Commercial real estate activities	385	37	422	168	25	39	233	55
Public sector	19	0	19	4	0	3	7	35
Other[1]	2,397	334	2,731	953	168	230	1,351	49
Total	**4,126**	**3,321**	**7,447**	**2,071**	**1,972**	**503**	**4,546**	**61**

[1] Thereof: Transportation, storage and communication - Total Impaired Loans 1.1 billion/Total Loan loss allowance 650 million, Real estate; renting and business activities - 489 million/ 230 million, Construction : 309 million/ 170 million, Mining and quarrying - 232 million/ 103 million.

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

								Dec 31, 2017
	Impaired Loans			Loan loss allowance				
in m.	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 %
Germany	953	1,312	2,266	600	823	104	1,527	67
Western Europe(excluding Germany)	1,471	1,422	2,892	815	822	113	1,749	60
Eastern Europe	45	123	168	45	92	11	147	88
North America	497	1	498	67	0	102	170	34
Central and South America	70	0	70	14	0	21	35	50
Asia/Pacific	264	28	292	223	8	41	272	93
Africa	48	0	49	1	0	9	10	20
Other	0	0	0	0	0	11	11	N/M
Total	**3,348**	**2,886**	**6,234**	**1,766**	**1,745**	**410**	**3,921**	**63**

N/M not meaningful

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								Dec 31, 2016
	Impaired Loans			Loan loss allowance				
in m.	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 %
Germany	1,154	1,486	2,639	563	804	122	1,489	56
Western Europe(excluding Germany)	2,021	1,688	3,709	1,008	1,057	130	2,195	59
Eastern Europe	46	132	179	39	106	10	154	86
North America	495	1	496	148	0	128	277	56
Central and South America[1]	4	0	5	3	0	14	16	363
Asia/Pacific[1]	341	14	355	286	5	76	367	103
Africa	63	1	64	24	0	8	32	50
Other[1]	2	0	2	0	0	17	17	908
Total	**4,126**	**3,321**	**7,447**	**2,071**	**1,972**	**503**	**4,546**	**61**

1 Impaired Loans in Central & South America, Asia Pacific and Other are more than fully covered by loan loss allowance due to the latter including collectively assessed allowance for non-impaired loans.

Development of Impaired Loans

			Dec 31, 2017			Dec 31, 2016
in m.	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Balance, beginning of year	**4,126**	**3,321**	**7,447**	**4,236**	**3,915**	**8,151**
Classified as impaired during the year	1,370	1,248	2,618	2,177	1,291	3,469
Transferred to not impaired during the year[1]	(1,127)	(961)	(2,088)	(1,080)	(723)	(1,803)

Charge-offs	(540)	(605)	(1,146)	(979)	(987)	(1,966)
Disposals of impaired loans	(267)	(116)	(383)	(266)	(161)	(427)
Exchange rate and other movements	(215)	(1)	(216)	38	(15)	23
Balance, end of year	**3,348**	**2,886**	**6,234**	**4,126**	**3,321**	**7,447**

1 Includes repayments.

Our impaired loans decreased in 2017 by 1.2 billion or 16 % to 6.2 billion. The reduction in our individually assessed portfolio mainly reflects charge-offs in CIB along with de-risking of former NCOU assets, while the reduction in our collectively assessed portfolio was driven by charge-offs related to disposals in PCC International.

The impaired loan coverage ratio (defined as total on-balance sheet allowances) for all loans individually impaired or collectively assessed divided by IFRS impaired loans (excluding collateral) increased from 61 % as of year-end 2016 to 63 % as of December 31, 2017.

Provision for loan losses and recoveries by Industry

					2017		2016
	Provision for loan losses before recoveries						
in m.	For individually assessed loans	For collectively assessed impaired loans	For collectively assessed non-impaired loans	Total	Recoveries	Provision for loan losses before recoveries (total)	Recoveries
Financial intermediation	25	(2)	(3)	20	4	(3)	4
Fund management activities	0	0	(2)	(1)	0	(2)	0
Manufacturing	48	18	(28)	38	19	209	14
Wholesale and retail trade	46	19	1	66	5	58	4
Households	11	322	20	354	66	531	99
Commercial real estate activities	(20)	4	5	(10)	12	76	36
Public sector	2	0	9	11	0	0	0
Other[1]	239	23	(62)	201	20	665	31
Total	**352**	**385**	**(59)**	**678**	**127**	**1,534**	**187**

1 In 2017, the largest contributions to risk provisioning in the Other category came from the Transport, Storage and Communications sector (107 million) and the Mining and quarrying sector (72 million). In 2016, the Transport, Storage and Communications sector contributed 422 million and the Mining and Quarrying sector 91 million.

Our existing commitments to lend additional funds to debtors with impaired loans amounted to 28 million as of December 31, 2017 and 117 million as of December 31, 2016.

Collateral held against impaired loans, with fair values capped at transactional outstanding

in m.	Dec 31, 2017	Dec 31, 2016
Financial and other collateral[1]	1,757	2,016
Guarantees received	309	343
Total collateral held for impaired loans	**2,066**	**2,359**

[1] Defaulted mortgage loans secured by residential real estate properties, where the loan agreement has been terminated/cancelled are generally subject to formal foreclosure proceedings.

Our total collateral held for impaired loans as of December 31, 2017 decreased by 293 million or 12 % compared to previous year, while coverage ratio including collateral (defined as total on-balance sheet allowances for all loans individually impaired or collectively assessed plus collateral held against impaired loans, with fair values capped at transactional outstanding, divided by IFRS impaired loans) increased to 96 % as of December 31, 2017 compared to 93 % as of December 31, 2016.

Financial assets available for sale

The impairment concept is also applicable for available for sale debt instruments, which are otherwise carried at fair value with changes in fair value reported in other comprehensive income. If an available for sale debt instrument is considered impaired, the cumulative impairment loss reflects the difference between the amortized cost and the current fair value of the instrument. For a detailed discussion of our accounting procedures please refer to Note 1 Significant Accounting policies and Critical Accounting Estimates .

Non-impaired past due and impaired financial assets available for sale, accumulated impairments, coverage ratio and collateral held against impaired financial assets available for sale

in m.	Dec 31, 2017	Dec 31, 2016
Financial assets non-impaired past due available for sale	1,538	1,661
thereof:		
Less than 30 days past due	176	178
30 or more but less than 60 days past due	23	24
60 or more but less than 90 days past due	138	23

90 days or more past due	1,201	1,436
Impaired financial assets available for sale	157	229
Accumulated impairment for financial assets available for sale	113	131
Impaired financial assets available for sale coverage ratio in %	71	57
Collateral held against impaired financial assets available for sale	17	20
thereof:		
Financial and other collateral	17	20
Guarantees received	0	0

Collateral Obtained

We obtain collateral on the balance sheet only in certain cases by either taking possession of collateral held as security or by calling upon other credit enhancements. Collateral obtained is made available for sale in an orderly fashion or through public auctions, with the proceeds used to repay or reduce outstanding indebtedness. Generally we do not occupy obtained properties for our business use. The commercial and residential real estate collateral obtained in 2017 refers predominantly to our exposures in Spain.

Collateral obtained during the reporting periods

in m.	2017	2016
Commercial real estate	9	9
Residential real estate[1]	63	55
Other	0	0
Total collateral obtained during the reporting period	**72**	**64**

[1] Carrying amount of foreclosed residential real estate properties amounted to 67 million as of December 31, 2017 and 78 million as of December 31, 2016.

The collateral obtained, as shown in the table above, excludes collateral recorded as a result of consolidating securitization trusts under IFRS 10. In 2017 as well as in 2016 the Group did not obtain any collateral related to these trusts.

Allowance for Credit Losses

Development of allowance for credit losses

							2017
	Allowance for Loan Losses			Allowance for Off-Balance Sheet Positions			
in m.	Individually assessed	Collectively assessed[1]	Subtotal	Individually assessed	Collectively assessed[2]	Subtotal	Total
Balance, beginning of year	**2,071**	**2,475**	**4,546**	**162**	**183**	**346**	**4,892**
Provision for credit losses	299	253	552	(23)	(4)	(27)	525
thereof: (Gains)/Losses from disposal of impaired loans	(83)	(32)	(115)	0	0	0	(115)
Net charge-offs:	(487)	(532)	(1,019)	0	0	0	(1,019)
Charge-offs	(541)	(605)	(1,146)	0	0	0	(1,146)
Recoveries	54	73	127	0	0	0	127
Other changes	(117)	(41)	(158)	(18)	(16)	(34)	(191)
Balance, end of year	**1,766**	**2,155**	**3,921**	**122**	**163**[1]	**285**	**4,207**
Changes compared to prior year							
Provision for credit losses							
Absolute	(444)	(351)	(795)	(47)	(16)	(62)	(857)
Relative	(60)%	(58)%	(59)%	(196)%	(132)%	(175)%	(62)%
Net charge-offs							
Absolute	407	338	745	0	0	0	745
Relative	(45)%	(39)%	(42)%	0%	0%	0%	(42)%
Balance, end of year							
Absolute	(305)	(320)	(625)	(41)	(20)	(60)	(685)
Relative	(15)%	(13)%	(14)%	(25)%	(11)%	(17)%	(14)%

[1] Thereof Transfer risk reserve 5 million.
[2] Thereof Transfer risk reserve 8 million.

Allowance for credit losses as of December 31, 2017 amounted to 4.2 billion compared to 4.9 billion as of December 31, 2016. The reduction was driven by charge-offs, partly compensated by additional provision for credit losses.

As of December 31, 2017, provision for credit losses decreased by 857 million compared to year-end 2016, driven by a decrease in provision for loan losses of 795 million, as well as by a reduction in provisions for off-balance sheet positions of 62 million. The decrease in our individually assessed loan portfolio mainly resulted from CIB, driven by all portfolios including shipping. Despite the year-over-year reduction, shipping continued to be the main driver of provision for credit losses in 2017, in part related to the re-evaluation of the respective impairment method during the year. as discussed in Note 1 of this report. A further year-over-year reduction in PCB was driven by a significant release in Postbank. The decrease in provisions for our collectively assessed loan portfolio mainly resulted from the non-recurrence of one-off items related to assets reported under NCOU in the prior year and further reflected the good portfolio quality and ongoing benign economic environment in PCB.

The decrease in net charge-offs of 745 million compared to 2016 was mainly driven by non-recurrence of net charge offs related to assets reported under NCOU in the prior year as well as in Postbank.

							2016
	Allowance for Loan Losses			Allowance for Off-Balance Sheet Positions			
in m.	Individually assessed	Collectively assessed[1]	Subtotal	Individually assessed	Collectively assessed[2]	Subtotal	Total
Balance, beginning of year	**2,252**	**2,776**	**5,028**	**144**	**168**	**312**	**5,340**
Provision for credit losses	743	604	1,347	24	12	36	1,383
thereof: (Gains)/Losses from disposal of impaired loans	3	(16)	(13)	0	0	0	(13)
Net charge-offs:	(894)	(870)	(1,764)	0	0	0	(1,764)
Charge-offs	(979)	(972)	(1,951)	0	0	0	(1,951)
Recoveries	85	101	187	0	0	0	187
Other changes	(30)	(35)	(65)	(5)	3	(2)	(67)
Balance, end of year	**2,071**	**2,475**[1]	**4,546**	**162**	**183**[1]	**346**	**4,892**
Changes compared to prior year							
Provision for credit losses							
Absolute	409	56	465	(34)	(4)	(39)	427
Relative	123%	10%	53%	(59)%	(27)%	(52)%	45%
Net charge-offs							
Absolute	(412)	(258)	(670)	0	0	0	(670)
Relative	85%	42%	61%	0%	0%	0%	61%
Balance, end of year							
Absolute	(181)	(301)	(482)	18	15	34	(448)
Relative	(8)%	(11)%	(10)%	13%	9%	11%	(8)%

[1] Thereof Transfer risk reserve 5 million.
[2] Thereof Transfer risk reserve 6 million.

Allowance for credit losses as of December 31, 2016 amounted to 4.9 billion compared to 5.3 billion as of December 31, 2015. The reduction was driven by charge-offs, partly compensated by additional provision for credit losses.

As of December 31, 2016, provision for credit losses increased by 427 million compared to year-end 2015, driven by an increase in provision for loan losses of 465 million partly offset by a reduction in provisions for off-balance sheet positions of 39 million. The increase in our individually assessed portfolio mainly resulted from CIB reflecting the continued market weakness of the shipping sector as well as lower commodity prices in the metals and mining and oil and gas sectors. The increase in provisions for our collectively assessed loan portfolio was mainly driven by NCOU partly relating to higher charges for IAS 39 reclassified assets and partly offset by PCB, among other factors reflecting the good quality of the loan book and the benign economic environment. The reduction in provisions for off-balance sheet positions was driven by CIB and reflects releases caused by crystallization into cash of a few guarantee exposures leading to higher provision for loan losses.

The increase in net charge-offs of 670 million compared to 2015 was mainly driven by NCOU caused by IAS 39 reclassified assets along with disposals.

Our allowance for loan losses for IAS 39 reclassified assets, which were reported in NCOU, amounted to 69 million as of December 31, 2016, representing 2 % of our total allowance for loan losses, down 82 % from the level at the end of 2015 which amounted to 389 million (8 % of total allowance for loan losses). This reduction was driven by charge offs of 355 million along with reduction driven by foreign exchange as most IAS 39 reclassified assets are denominated in non-Euro currencies and partly offset by additional provisions of 66 million.

Compared to 2015, provision for loan losses for IAS 39 reclassified assets increased by 110 million mainly related to our European mortgage portfolios. Net charge offs increased by 242 million mainly driven by the European mortgage portfolio and one large single booking.

Derivatives Credit Valuation Adjustment

We establish counterparty Credit Valuation Adjustment (CVA) for OTC derivative transactions to cover expected credit losses. The adjustment amount is determined by assessing the potential credit exposure to a given counterparty and taking into account any collateral held, the effect of any relevant netting arrangements, expected loss given default and the credit risk, based on available market information, including CDS spreads.

Treatment of Default Situations under Derivatives

Unlike standard loan assets, we generally have more options to manage the credit risk in our derivatives transactions when movement in the current replacement costs or the behavior of our counterparty indicate that there is the risk that upcoming payment obligations under the transactions might not be honored. In these situations, we are frequently able under the relevant derivatives agreements to obtain additional collateral or to terminate and close-out the derivative transactions at short notice.

The master agreements for OTC derivative transactions executed with our clients usually provide for a broad set of standard or bespoke termination rights, which allow us to respond swiftly to a counterparty s default or to other circumstances which indicate a high probability of failure. We have less comfort under the rules and regulations applied by clearing CCPs, which rely primarily on the clearing members default fund contributions and guarantees and less on the termination and close-out of contracts, which will be considered only at a later point in time after all other measures failed. Considering the severe systemic disruptions to the financial system, that could be caused by a disorderly failure of a CCP, the Financial Stability Board (FSB) recommended in October 2014 to subject CCPs to resolution regimes that apply the same objectives and provisions that apply to global systematically important banks (G-SIBs).

Our contractual termination rights are supported by internal policies and procedures with defined roles and responsibilities which ensure that potential counterparty defaults are identified and addressed in a timely fashion. These procedures include necessary settlement and trading restrictions. When our decision to terminate derivative transactions results in a residual net obligation owed by the counterparty, we restructure the obligation into a non-derivative claim and manage it through our regular work-out process. As a consequence, for accounting purposes we typically do not show any nonperforming derivatives.

Wrong-way risk occurs when exposure to a counterparty is adversely correlated with the credit quality of that counterparty. In compliance with Article 291(2) and (4) CRR we, excluding Postbank, had established a monthly process to monitor several layers of wrong-way risk (specific wrong-way risk, general explicit wrong-way risk at country/industry/region levels and general implicit wrong-way risk, whereby exposures arising from transactions subject to wrong-way risk are automatically selected and presented for comment to the responsible credit officer). A wrong-way risk report is then sent to Credit Risk senior management on a monthly basis. In addition, we, excluding Postbank, utilized our established process for calibrating our own alpha factor (as defined in Article 284 (9) CRR) to estimate the overall wrong-way risk in our derivatives and securities financing transaction portfolio. Postbank derivative counterparty risk is immaterial to the Group and collateral held is typically in the form of cash.

Trading Market Risk Exposures

Value-at-Risk Metrics of Trading Units of Deutsche Bank Group (excluding Postbank)

The tables and graph below present the value-at-risk metrics calculated with a 99 % confidence level and a one-day holding period for our trading units. They exclude contributions from Postbank trading book which are calculated on a stand-alone basis.

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

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

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

The average value-at-risk over 2017 was 29.8 million, which is a decrease of 2.2 million compared with the full year 2016. The average credit spread value-at-risk decreased due to a reduction in idiosyncratic risk.

The period end value-at-risk reduction was driven by reductions across the credit spread and foreign exchange asset classes.

Regulatory Trading Market Risk Measures (excluding Postbank)

The table below presents the stressed value-at-risk metrics calculated with a 99 % confidence level and a one-day holding period for our trading units. It excludes contributions from Postbank s trading book which are calculated on a stand-alone basis

Average, Maximum and Minimum Stressed Value-at-Risk by Risk Type

in m.	Total		Diversification effect		Interest rate risk		Credit spread risk		Equity price risk		Foreign exchange risk [1]		Commodity price risk	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Average	76.7	85.2	(88.4)	(78.2)	69.8	51.9	62.1	74.9	18.8	20.6	12.6	14.8	1.8	1.3
Maximum	125.0	143.7	(115.8)	(150.0)	92.0	82.5	73.2	99.3	66.8	144.5	28.0	30.4	6.1	3.9
Minimum	42.0	60.4	(73.0)	(53.4)	48.3	37.4	54.3	59.0	1.5	2.4	6.9	3.4	0.3	0.4
Period-end	85.6	75.8	(81.0)	(91.3)	67.8	51.9	64.3	63.0	19.9	29.6	12.6	22.1	1.9	0.5

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

The average stressed value-at-risk was 76.7 million over 2017, a decrease of 8.5 million compared with the full year 2016. The reduction in the average was driven by a decrease in credit spread stressed value-at-risk due to a reduction in idiosyncratic risk as well as a small reduction coming from a model enhancement to the credit spread component. This has been partly offset by an increase in interest rate stressed value-at-risk due to a change in directional exposure on average over 2017.

The following graph compares the development of the daily value-at-risk with the daily stressed value-at-risk and their 60 day averages, calculated with a 99 % confidence level and a one-day holding period for our trading units. Amounts are shown in millions of euro and exclude contributions from Postbank s trading book which are calculated on a stand-alone basis.

For regulatory reporting purposes, the incremental risk charge for the respective reporting dates represents the higher of the spot value at the reporting dates, and their preceding 12-week average calculation.

Average, Maximum and Minimum Incremental Risk Charge of Trading Units (with a 99.9 % confidence level and one-year capital horizon)[1,2,3,]

	Total		Non-Core Operations Unit		Global Credit Trading		Core Rates		Fixed Income & Currencies APAC		Emerging Markets - Debt		Other	
in m.	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Average	802.1	840.2	0.0	52.0	544.6	393.0	107.1	200.4	168.1	188.6	37.2	116.8	(54.8)	(110.5)
Maximum	899.3	944.4	0.0	57.3	597.4	405.8	172.5	229.6	229.0	243.0	62.9	128.0	(20.4)	(65.6)
Minimum	754.8	693.0	0.0	44.5	503.7	368.0	48.7	173.7	92.4	119.6	(1.4)	111.6	(90.0)	(141.8)
Period-end	789.6	693.0	0.0	51.8	540.1	368.0	133.2	173.7	142.3	119.6	19.9	121.8	(45.9)	(141.8)

1 Amounts show the bands within which the values fluctuated during the 12-weeks preceding December 31, 2017 and December 31, 2016, respectively.
2 Business line breakdowns have been updated for 2017 reporting to better reflect the current business structure.
3 All liquidity horizons are set to 12 months.

The incremental risk charge as at the end of 2017 was 790 million an increase of 97 million (14 %) compared with year end 2016. The 12-week average of the incremental risk charge as at the end of 2017 was 802 million and thus 38 million (5 %) lower compared with the average for the 12-week period ended December 31, 2016. The decreased average incremental risk charge is driven by a decrease in credit exposures in the Core Rates and Emerging Markets Debt business areas when compared to the full year 2016.

For regulatory reporting purposes, the comprehensive risk measure for the respective reporting dates represents the higher of the internal spot value at the reporting dates, their preceding 12-week average calculation, and the floor, where the floor is equal to 8 % of the equivalent capital charge under the standardized approach securitization framework.

Average, Maximum and Minimum Comprehensive Risk Measure of Trading Units (with a 99.9 % confidence level and one-year capital horizon)[1,2,3]

in m.	2017	2016
Average	5.4	31.3
Maximum	6.3	39.8

Minimum	4.5	21.9
Period-end	4.4	17.9

[1] Regulatory Comprehensive Risk Measure calculated for the 12-week period ending December 29.
[2] Period end is based on the internal model spot value.
[3] All liquidity horizons are set to 12 months.

The internal model comprehensive risk measure as at the end 2017 was 4.4 million a decrease of 13.5 million (-75 %) compared with year end 2016. The 12-week average of our regulatory comprehensive risk measure as at the end of 2017 was 5.4 million and thus 25.8 million (83 %) lower compared with the average for the 12-week period ending December 31, 2016. The reduction was due to continued de-risking on this portfolio.

Market Risk Standardized Approach

As of December 31, 2017, the securitization positions, for which the specific interest rate risk is calculated using the market risk standardized approach, generated capital requirements of 379.5 million corresponding to risk weighted-assets of 4.7 billion. As of December 31, 2016 these positions generated capital requirements of 278.4 million corresponding to risk weighted-assets of 3.5 billion.

For nth-to-default credit default swaps the capital requirement decreased to 2.8 million corresponding to risk weighted-assets of 35 million compared with 6.4 million and 80 million as of December 31, 2016.

The capital requirement for Collective Investment Undertakings under the market risk standardized approach was 45 million corresponding to risk weighted-assets of 556 million as of December 31, 2017, compared with 39 million and 487 million as of December 31, 2016.

The capital requirement for longevity risk under the market risk standardized approach was 32 million corresponding to risk-weighted assets of 395 million as of December 31, 2017, compared with 46 million and 570 million as of December 31, 2016.

Value-at-Risk at Postbank

The value-at-risk of Postbank s trading book calculated with a 99 % confidence level and a one-day holding period amounted to zero as of December 31, 2017. Postbank s current trading strategy does not allow any new trading activities with regard to the trading book. Therefore, Postbank s trading book did not contain any positions as of December 31, 2017. Nevertheless, Postbank will remain classified as a trading book institution.

Results of Regulatory Backtesting of Trading Market Risk

In 2017 we observed three global outliers, where our loss on a buy-and-hold basis exceeded the value-at-risk of our Trading Books, compared with one outlier in 2016. The outliers in 2017 all occurred in the fourth quarter. The first was driven by an idiosyncratic event that led to losses in our Non Strategic and Emerging Markets Debt business areas. The second was an idiosyncratic event primarily impacting our Equities business. The final outlier was at the year end and was caused by losses across a number of business areas. The first and third of these events also led to an outlier on an Actual Backtesing basis, which compares the VaR to Total Income less Fees & Commissions, and excluding Debt Valuation Adjustments. There were two Actual Backtesting outliers in 2017 compared to four in 2016.

Based on the backtesting results, our analysis of the underlying reasons for outliers and enhancements included in our value-at-risk methodology, we continue to believe that our value-at-risk model will remain an appropriate measure for our trading market risk under normal market conditions. The following graph presents trading units daily comparison of the VAR measure as of the close of the previous business day with both hypothetical (buy-and-hold income, i.e. one-day change in portfolio s value) and the actual backtesting outcomes (as defined above), in order to highlight the frequency and the extent of the backtesting exceptions. The value-at-risk is presented in negative amounts to visually compare the estimated potential loss of our trading positions with the buy and hold income. The chart shows that our trading units achieved a positive buy and hold income for 57 % of the trading days in 2017 (versus 54 % in 2016), as well as displaying the global outliers experienced in 2017.

The capital requirements for the value-at-risk model, for which the backtesting results are shown here, accounts for 1.3% of the total capital requirement for the Group.

Daily Income of our Trading Units

The following histogram shows the distribution of daily income of our trading units (excluding Postbank). Daily income is defined as total income which consists of new trades, fees & commissions, buy & hold income, reserves, carry and other income. It displays the number of trading days on which we reached each level of trading income shown on the horizontal axis in millions of euro.

Our trading units achieved a positive revenue for 93 % of the trading days in 2017 compared with 87 % in the full year 2016.

Nontrading Market Risk Exposures

Economic Capital Usage for Nontrading Market Risk

The following table shows the Nontrading Market Risk economic capital usage by risk type:

Economic Capital Usage by risk type.

	Economic capital usage	
in m.	Dec 31, 2017	Dec 31, 2016
Interest rate risk	1,743	1,921
Credit spread risk	722	1,419
Equity and Investment risk	1,431	1,834
Foreign exchange risk	1,509	2,485
Pension risk	1,174	1,007
Guaranteed funds risk	49	1,699
Total nontrading market risk portfolios	**6,628**	**10,364**

The economic capital figures do take into account diversification benefits between the different risk types.

Economic Capital Usage for Nontrading Market Risk totaled 6.6 billion as of December 31, 2017, which is 3.7 billion below our economic capital usage at year-end 2016. The decrease in economic capital usage driven by the quantile change from 99.98 % to 99.90 % including reductions in capital supply items due to going concern adjustments amounted to approximately half of the total decrease, or 1.8 billion.

Interest rate risk. Economic capital charge for interest rate risk in the banking book, including gap risk, basis risk and option risk, such as the risk of a change in client behaviour embedded in modelled non-maturity deposits or prepayment risk. In total the economic capital usage for December 31, 2017 was 1,743 million, compared to 1,921 million for December 31, 2016. The decrease in economic capital contribution was mainly driven by the quantile change from 99.98 % to 99.90 %.

Credit spread risk. Economic capital charge for portfolios in the banking book subject to material credit spread risk. Economic capital usage was 722 million as of December 31, 2017, versus 1,419 million as of December 31, 2016. The decrease in economic capital contribution was mainly driven by the quantile change from 99.98 % to 99.90 %.

Equity and Investment risk. Economic capital charge for equity risk from our non-consolidated investment holdings, such as our strategic investments and alternative assets, and from a structural short position in our own share price arising from our equity compensation plans. The economic capital usage was 1,431 million as of December 31, 2017, compared with 1,834 million as of December 31, 2016, predominately driven by the quantile change from 99.98 % to 99.90 %.

Pension risk. This risk arises from our defined benefit obligations, including interest rate risk and inflation risk, credit spread risk, equity risk and longevity risk. The economic capital usage was 1,174 million and 1,007 million as of December 31, 2017 and December 31, 2016 respectively. The increase in Pension economic capital is mainly related to an increase in interest rate and credit risk.

Foreign exchange risk. Foreign exchange risk predominately arises from our structural position in unhedged capital and retained earnings in non-euro currencies in certain subsidiaries. Our economic capital usage was 1,509 million as of December 31, 2017 versus 2,485 million as of December 31, 2016. The decrease in economic capital contribution was mainly driven by reductions in capital supply items due to going concern adjustments and the quantile change from 99.98 % to 99.90 %.

Guaranteed funds risk. Economic capital usage was 49 million as of December 31, 2017, versus 1,699 million as of December 31, 2016. The decrease in economic capital contribution was largely driven by redesign of the economic capital model for guaranteed retirement accounts and the removal of conservative placeholders.

Interest Rate Risk in the Banking Book

The following table shows the impact on the Group s net interest income in the banking book as well as the change of the economic value for the banking book positions from interest rate changes under the six standard scenarios defined by Basel Committee on Banking Supervision (BCBS):

Economic value & net interest income interest rate risk in the banking book by scenario

	Delta EVE		Delta NII[1]	
in bn.	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Parallel up	(0.4)	(0.3)	2.8	2.1
Parallel down	(1.1)	(0.4)	(0.8)	(0.6)
Steepener	0.2	0.4	(0.6)	N/A
Flattener	(0.6)	(0.5)	2.7	N/A
Short rate up	(0.5)	(0.6)	3.5	N/A
Short rate down	0.0	(0.0)	(0.7)	N/A
Maximum	**(1.1)**	(0.6)	**(0.8)**	(0.6)

in bn.	Dec 31, 2017	Dec 31, 2016
Tier 1 Capital	**57.6**	**55.5**

N/A Not applicable

[1] Delta Net Interest Income (NII) reflects the difference between projected NII in the respective scenario with shifted rates vs. unchanged rates. Sensitivities are based on a static balance sheet at constant exchange rates, excluding trading positions and Deutsche Asset Management. Figures do not include Mark to Market (MtM) / Other Comprehensive Income (OCI) effects on centrally managed positions not eligible for hedge accounting.

A sudden parallel increase in the yield curve would positively impact the Group s earnings (net interest income) from the banking book positions. Deutsche Bank estimates that the total one-year net interest income change resulting from parallel yield curve shifts of +200 and (200) basis points (floored by a rate of zero) would be 2.8 billion and (0.8) billion, respectively, at December 31, 2017.

The maximum Economic Value of Equity (EVE) loss was (1.1) billion as of December 2017, compared to (0.6) billion as of December 2016. The increase in EVE loss was mainly driven by an increased interest rate risk position in Deutsche Bank s Pension portfolio. As per December 2017 the maximun EVE loss represents 1.9 % of Tier 1 Capital.

The following table shows the variation of the economic value for Deutsche Bank s banking book positions resulting from downward and upward interest rate shocks by currency:

Economic value interest rate risk in the banking book by currency

	Dec 31, 2017	
in bn.	-200 bp[1]	+200 bp
EUR	(1.3)	(0.3)
GBP	(0.0)	(0.0)
USD	0.3	(0.2)
JPY	(0.0)	0.1
Other	0.0	0.0
Total	(1.1)	(0.4)

[1] Floored at zero

The estimated change in the economic value resulting from the impact of the BCBS parallel yield curve shifts of -200 bp (floored by a rate of zero) and +200 bp would be (1.1) billion and (0.4) billion, respectively, at December 31, 2017. Both scenarios, downward and upward shock, lead to a decrease in the economic value mainly due to a negative convexity in Deutsche Bank s Pension portfolio and the impact of the applied zero floor on portfolios with offsetting positions in the long and short tenors.

Operational Risk Exposure

Operational Risk Risk Profile

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

in m.	2017	2016[1]
Clients, Products and Business Practices	309	2,512

Internal Fraud	38	397
External Fraud	15	18
Execution, Delivery and Process Management	223	119
Others	30	25
Group	615	3,072

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

As of December 31, 2017, profit and loss based operational losses decreased by 2.5 billion or 80 % compared to year-end 2016. The decrease was driven by the event types Clients, Products and Business Practices and Internal Fraud , due to settlements reached and increased litigation reserves for unsettled cases in 2016.

[1] Percentages in brackets correspond to loss frequency respectively to loss amount for losses occurred in 2012-2016 period. Frequency and amounts can change subsequently.

The above left chart Frequency of Operational Losses summarizes Operational Risk events which occurred in 2017 compared to the five-year period 2012-2016 in brackets based on the period in which a loss was first recognized for that event. For example, for a loss event that was first recognized in 2010 with an additional profit/loss event recognized in 2017, the frequency chart would not include the loss event, but the loss distribution chart would include the profit/loss recognized in the respective period.

Frequencies are driven by the event types External Fraud with a frequency of 48 % and the event type Clients, Product and Business Practices with 40 % of all observed loss events. Execution, Delivery and Process Management contributes 9 %. Others are stable at 2 %. The event type Internal Fraud has a low frequency, resulting in less than 1 % of the loss events in the period 2017.

The above right chart Distribution of Operational Losses summarizes Operational Risk loss postings recognized in the profit/loss in 2017 compared to the five-year period 2012-2016. The event type Clients, Product and Business Practices dominates the operational loss distribution with a share of 50 % and is determined by outflows related to litigation, investigations and enforcement actions. Execution, Delivery and Process Management has the second highest share (36 %) which is related to one large event in 2017. The absolute loss amount of this event type only shows a small increase, but the relative increase is high, given the smaller basis of the total Operational Risk Losses. Finally, the event types Internal Fraud (6 %), Others (5 %) and External Fraud (2 %) are minor, compared to other event types.

Liquidity Risk Exposure

Funding Markets and Capital Markets Issuance

Credit markets in 2017 were affected by continued political uncertainties and the ongoing low interest rate environment. Our 5 year CDS traded within a range of 71 to 166 basis points, substantially lower compared to 2016. The peak was observed in the beginning of January, since then, the spread has declined significantly and as of year-end was trading at 73 basis points, at the low end of the range for the year. The spreads on our bonds exhibited similar behaviour. For example, our 1.5 % EUR benchmark maturing in January 2022 traded in a range of 43 to 150 basis points, closing at 49 basis points at year end 2017.

Our 2017 funding plan of up to 25 billion, comprising debt issuance with an original maturity in excess of one year, was completed and we concluded 2017 having raised 24.8 billion in term funding. This funding was broadly spread across the following funding sources: Senior unsecured plain-vanilla issuance, including benchmarks (14.7 billion), Tier 2 benchmark issuance (0.8 billion), covered bond issuance (1.1 billion), and other unsecured structured issuance (8.2 billion). The 24.8 billion total is divided into Euro (9.2 billion), US dollar (13.2 billion), British Pound (0.9 billion) and other currencies aggregated (1.5 billion). In addition to direct issuance, we use long-term cross currency swaps to manage our funding needs outside of EUR. Our investor base for 2017 issuances comprised retail customers (29 %), banks (6 %), asset managers and pension funds (38 %), insurance companies (8 %) and other institutional investors (19 %). The geographical distribution was split between Germany (21 %), rest of Europe (28 %), US (31 %), Asia/Pacific (16 %) and Other (3 %). Of our total capital markets issuance outstanding as of December 31, 2017, approximately 93 % was issued on an unsecured basis.

The average spread of our issuance over 3-months-Euribor (all non-Euro funding spreads are rebased versus 3-months Euribor) was 71 basis points for the full year, substantially lower compared to 129 basis points average spread in 2016. The average tenor was 6.7 years. Our issuance activities were slightly higher in the first half of the year. We issued the following volumes over each quarter: Q1: 8.5 billion, Q2: 4.8 billion, Q3: 6.0 billion and Q4: 5.5 billion, respectively.

In 2018, our funding plan is 30 billion which we plan to cover by accessing the above sources, without being overly dependent on any one source. We also plan to raise a portion of this funding in U.S. dollar and may enter into cross currency swaps to manage any residual requirements. We have total capital markets maturities, excluding legally exercisable calls of approximately 16 billion in 2018.

Funding Diversification

In 2017, total external funding increased by 38.0 billion from 976.8 billion at December 31, 2016 to 1,014.8 billion at December 31, 2017. This is primarily driven by increased balances in Retail deposits by 24.9 billion (8.5 %), Transaction Banking by 16.5 billion (8.3 %), secured funding and shorts by 11.8 billion (7.1 %) and other customers by 3.5 billion (6.6 %). The total increase is slightly offset by reduction in unsecured wholesale funding by 9.7 billion (17.6 %) and Capital Markets and Equity volume by 8.9 billion (4.2 %).

The overall proportion of our most stable funding sources (comprising capital markets and equity, retail, and transaction banking) remained constant at 72 %.

[1] Other includes fiduciary, self-funding structures (e.g. X-markets), margin / Prime Brokerage cash balances (shown on a net basis)
Reference: Reconciliation to total balance sheet: Derivatives & settlement balances 369.4 billion (503.6 billion), add-back for netting effect for Margin & Prime Brokerage cash balances (shown on a net basis) 59.2 billion (67.9 billion), other non-funding liabilities 31.3 billion (42.2 billion) for December 31, 2017 and December 31, 2016 respectively; figures may not add up due to rounding.

Maturity of unsecured wholesale funding, ABCP and capital markets issuance[1]

								Dec 31, 2017
in m.	Not more than 1 month	Over 1 month but not more than 3 months	Over 3 months but not more than 6 months	Over 6 months but not more than 1 year	Sub-total less than 1 year	Over 1 year but not more than 2 years	Over 2 years	Total
Deposits from banks	9,709	3,477	2,196	1,172	16,554	721	54	17,330
Deposits from otherwholesale customers	3,451	5,884	4,112	3,974	17,421	483	525	18,429
CDs and CP	1,579	2,595	2,381	2,873	9,427	6	82	9,516
ABCP	0	0	0	0	0	0	0	0
Senior unsecuredplain vanilla	405	4,038	3,231	3,288	10,961	16,009	44,399	71,368

Senior unsecuredstructured notes	345	868	1,654	2,952	5,818	3,044	16,893	25,756
Covered bonds/ABS	90	194	1,711	737	2,731	2,190	17,248	22,169
Subordinated liabilities	50	234	5,265	700	6,250	135	11,694	18,079
Other	4	0	0	0	4	0	0	4
Total	**15,632**	**17,289**	**20,550**	**15,695**	**69,167**	**22,588**	**90,895**	**182,650**
thereof:								
Secured	90	194	1,711	737	2,731	2,190	17,248	22,169
Unsecured	15,542	17,096	18,840	14,959	66,436	20,398	73,647	160,481

[1] Includes additional Tier 1 notes reported as additional equity components in the financial statements. Liabilities with call features are shown at earliest legally exercisable call date. No assumption is made as to whether such calls would be exercised.

The total volume of unsecured wholesale liabilities, ABCP and capital markets issuance maturing within one year amount to 69 billion as of December 31, 2017, and should be viewed in the context of our total Liquidity Reserves of 280 billion.

								Dec 31, 2016
in m.	Not more than 1 month	Over 1 month but not more than 3 months	Over 3 months but not more than 6 months	Over 6 months but not more than 1 year	Sub-total less than 1 year	Over 1 year but not more than 2 years	Over 2 years	Total
Deposits from banks	15,626	5,294	6,961	1,588	29,469	40	659	30,168
Deposits from other wholesale customers	4,164	5,712	3,992	4,111	17,979	703	422	19,104
CDs and CP	1,117	1,379	1,973	1,060	5,529	4	1	5,534
ABCP	0	0	0	0	0	0	0	0
Senior unsecured plain vanilla	626	4,111	4,735	11,825	21,296	8,085	49,993	79,374
Senior unsecured structured notes	430	696	858	1,715	3,698	3,578	20,217	27,494
Covered bonds/ABS	0	482	678	1,284	2,445	2,718	18,601	23,764
Subordinated liabilities	0	8	1,576	972	2,556	4,620	11,712	18,887
Other	0	0	0	0	0	0	0	0
Total	**21,963**	**17,682**	**20,773**	**22,555**	**82,973**	**19,749**	**101,605**	**204,326**
thereof:								
Secured	0	482	678	1,284	2,445	2,718	18,601	23,764
Unsecured	21,963	17,199	20,094	21,271	80,528	17,031	83,004	180,563

The following table shows the currency breakdown of our short-term unsecured wholesale funding, of our ABCP funding and of our capital markets issuance.

Unsecured wholesale funding, ABCP and capital markets issuance (currency breakdown)

	Dec 31,2017					Dec 31,2016				
in m.	in EUR	in USD	in GBP	in other CCYs	Total	in EUR	in USD	in GBP	in other CCYs	Total
Deposits from banks	2,310	11,096	2,423	1,502	17,330	3,554	22,122	3,649	843	30,168
Deposits from other whole-sale customers	14,109	3,743	233	344	18,429	15,396	2,964	541	203	19,104
CDs and CP	6,401	1,942	310	863	9,516	4,456	259	259	560	5,534
ABCP	0	0	0	0	0	0	0	0	0	0
Senior unsecured plain vanilla	36,407	27,482	864	6,616	71,368	39,510	33,504	8	6,352	79,374
Senior unsecured structured notes	9,937	12,301	31	3,487	25,756	11,037	12,697	133	3,626	27,494
Covered bonds/ABS	22,142	25	0	2	22,169	23,745	16	0	2	23,764
Subordinated liabilities	7,940	8,960	801	378	18,079	8,540	9,196	799	353	18,887
Other	0	4	0	0	4	0	0	0	0	0
Total	**99,245**	**65,552**	**4,662**	**13,192**	**182,650**	**106,239**	**80,758**	**5,390**	**11,940**	**204,326**
thereof:										
Secured	22,142	25	0	2	22,169	23,745	16	0	2	23,764
Unsecured	77,103	65,527	4,662	13,190	160,481	82,494	80,742	5,390	11,938	180,563

Liquidity Reserves

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

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

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

The liquidity value (weighted) of our Liquidity Reserves of 272 billion exceeds the liquidity value (weighted) of our High Quality Liquid Assets (HQLA) of 247 billion. The major drivers of this difference are that Liquidity Reserves include central bank eligible, but otherwise less liquid securities (for example traded loans, other investment grade corporate bonds and ABS) which are not recognized in HQLA. Additionally, HQLA includes major index equities, but excludes cash balances deposited with central banks to satisfy minimum cash requirements as well as cash balances deposited with non EU Central Banks rated below AA- which are included in the LCR but not as part of the HQLA.

Liquidity Coverage Ratio

The final EBA guidelines on LCR disclosure released on March 8, 2017 (EBA/GL/2017/01) requires us to disclose the average of month-end observations over twelve months preceding the end of each quarter instead of the year-end LCR. Therefore, this year s disclosed LCR for 2016 will differ slightly from the disclosed LCR in the previous year. For reference, we have additionally included the year-end LCR numbers below.

Our weighted average LCR of 144 % (twelve months average) has been calculated in accordance with the Commission Delegated Regulation (EU) 2015/61 and the EBA Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 CRR. Due to changes of the calculation method in October 2016, the December 2016 weighted average LCR of 121 % includes 3 data points (October December 2016) whereas the December 2017 LCR includes 12 data points (January December 2017).

The year-end LCR as of December 31, 2017 stands at 140 % compared to 128 % as of December 31, 2016

LCR components

	Dec 31, 2017	Dec 31, 2016
in bn. (unless stated otherwise)	Total adjusted weighted value (average)	Total adjusted weighted value (average)
Number of data points used in the calculation of averages	12	3
Liquidity buffer	247	191
Total net cash outflows	172	158
Liquidity Coverage Ratio (LCR) in %	144%	121%

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Funding Risk Management

Structural Funding

All funding matrices (the aggregate currency, the U.S. dollar and the GBP funding matrix) were in line with the respective risk appetite as of year ends 2017 and 2016.

Stress Testing and Scenario Analysis

During 2017, our stressed Net Liquidity Position remained well above the risk appetite and finished 2017 with a surplus of 33 billion.

Global All Currency Daily Stress Testing Results

			Dec 31, 2017			Dec 31, 2016
in bn.	Funding Gap[1]	Gap Closure[2]	Net Liquidity Position[3]	Funding Gap[1]	Gap Closure[2]	Net Liquidity Position[3]
Systemic market risk	121	284	163	64	204	141
Emerging markets	28	228	200	10	190	180
1 notch downgrade (DB specific)	79	252	173	43	195	152
Severe downgrade (DB specific)	287	331	43	178	224	46
Combined[4]	318	351	33	206	242	36

[1] Funding gap caused by impaired rollover of liabilities and other projected outflows.
[2] Based on liquidity generation through Liquidity Reserves and other countermeasures.
[3] 2017 scenario shows the minimum net liquidity position over the stress period, whereas 2016 shows the net liquidity position at the end of the stress period.
[4] Combined impact of systemic market risk and severe downgrade.

Global EUR Daily Stress Testing Results[5]

			Dec 31, 2017			Dec 31, 2016
in	Funding Gap[1]	Gap Closure[2]	Net Liquidity Position[3]	Funding Gap[1]	Gap Closure[2]	Net Liquidity Position[3]
Combined[4]	157	172	15			

[1] Funding gap caused by impaired rollover of liabilities and other projected outflows.

[2] Based on liquidity generation through Liquidity Reserves and other countermeasures.
[3] 2017 scenario shows the minimum net liquidity position over the stress period.
[4] Combined impact of systemic market risk and severe downgrade.
[5] Standalone EUR Stress test has been implemented in 2017, therefore no comparison to 2016

Global USD Daily Stress Testing Results

	Dec 31, 2017			Dec 31, 2016		
in bn.	Funding Gap[1]	Gap Closure[2]	Net Liquidity Position[3]	Funding Gap[1]	Gap Closure[2]	Net Liquidity Position[3]
Combined[4]	114	127	13	94	164	69

[1] Funding gap caused by impaired rollover of liabilities and other projected outflows.
[2] Based on liquidity generation through Liquidity Reserves and other countermeasures.
[3] 2017 scenario shows the minimum net liquidity position over the stress period, whereas 2016 shows the net liquidity position at the end of the stress period.
[4] Combined impact of systemic market risk and severe downgrade.

Global GBP Daily Stress Testing Results

	Dec 31, 2017			Dec 31, 2016		
in bn.	Funding Gap[1]	Gap Closure[2]	Net Liquidity Position[3]	Funding Gap[1]	Gap Closure[2]	Net Liquidity Position[3]
Combined[4]	14	18	4	10	20	10

[1] Funding gap caused by impaired rollover of liabilities and other projected outflows.
[2] Based on liquidity generation through Liquidity Reserves and other countermeasures.
[3] 2017 scenario shows the minimum net liquidity position over the stress period, whereas 2016 shows the net liquidity position at the end of the stress period.
[4] Combined impact of systemic market risk and severe downgrade.

The following table presents the amount of additional collateral required in the event of a one- or two-notch downgrade by rating agencies for all currencies.

Additional Contractual Obligations

	Dec 31, 2017		Dec 31, 2016	
in m.	One-notch downgrade	Two-notch downgrade	One-notch downgrade	Two-notch downgrade
Contractual derivatives funding or margin requirements	1,024	1,577	1,470	1,982
Other contractual funding or margin requirements	317	1,459	317	1,459

Asset Encumbrance

This section refers to asset encumbrance in the group of institutions consolidated for banking regulatory purposes pursuant to the German Banking Act. Thereunder not included are insurance companies or companies outside the finance sector. Assets pledged by our insurance subsidiaries are included in Note 22 Assets Pledged and Received as Collateral of the consolidated financial statements, and restricted assets held to satisfy obligations to insurance companies policy holders are included within Note 40 Information on Subsidiaries of the consolidated financial statements.

Encumbered assets primarily comprise those on- and off-balance sheet assets that are pledged as collateral against secured funding, collateral swaps, and other collateralized obligations. Additionally, in line with the EBA technical standards on regulatory asset encumbrance reporting, we consider as encumbered assets placed with settlement systems, including default funds and initial margins, as well as other assets pledged which cannot be freely withdrawn such as mandatory minimum reserves at central banks. We also include derivative margin receivable assets as encumbered under these EBA guidelines.

Readily available assets are those on- and off-balance sheet assets that are not otherwise encumbered, and which are in freely transferrable form. Unencumbered financial assets at fair value, other than securities borrowed or purchased under resale agreements and positive market value from derivatives, and available for sale investments are all assumed to be readily available.

The readily available value represents the current balance sheet carrying value rather than any form of stressed liquidity value (see the Liquidity Reserves for an analysis of unencumbered liquid assets available under a liquidity stress scenario). Other unencumbered on- and off-balance sheet assets are those assets that have not been pledged as collateral against secured funding or other collateralized obligations, or are otherwise not considered to be ready available. Included in this category are securities borrowed or purchased under resale agreements and positive market value from derivatives. Similarly, for loans and other advances to customers, these would only be viewed as readily available to the extent they are already in a pre-packaged transferrable format, and have not already been used to generate funding. This represents the most conservative view given that an element of such loans currently shown in Other assets could be packaged into a format that would be suitable for use to generate funding.

Encumbered and unencumbered assets

	Dec 31, 2017			
	Carrying value			
			Unencumbered assets	
in bn. (unless stated otherwise)	Assets	Encumbered assets	Readily available	Other
Debt securities	148	65	84	0

Equity instruments	86	63	23	0
Other assets:				
Cash and due from banks & Interest earning deposits with Banks	234	11	223	0
Securities borrowed or purchased under resale agreements[1]	27	0	0	27
Financial assets at fair value through profit and loss[2]				
Trading assets	11	0	11	0
Positive market value from derivative financial instruments	363	0	0	363
Securities borrowed or purchased under resale agreements[1]	78	0	0	78
Other financial assets at fair value through profit or loss	5	0	5	0
Financial assets available for sale[2]	3	0	3	0
Loans	417	70	15	332
Other assets	108	42	0	66
Total	**1,480**	**251**	**363**	**866**

[1] Securities borrowed and securities purchased under resale agreements are all shown as other unencumbered. The use of the underlying collateral is separately captured in the off-balance sheet table below.

[2] Excludes Debt securities and Equity instruments (separately disclosed above).

	Dec 31, 2017			
	Fair value of collateral received			
			Unencumbered assets	
in bn. (unless stated otherwise)	Assets	Encumbered assets	Readily available	Other
Collateral received:	365	307	58	0
Debt securities	228	189	39	0
Equity instruments	137	118	18	0
Other collateral received	0	0	0	0

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in bn. (unless stated otherwise)	Dec 31, 2016[3] Carrying value Assets	Encumbered assets	Unencumbered assets Readily available	Other
Debt securities	151	77	74	0
Equity instruments	75	54	21	0
Other assets:				
Cash and due from banks & Interest earning deposits with Banks	191	12	179	0
Securities borrowed or purchased under resale agreements[1]	36	0	0	36
Financial assets at fair value through profit and loss[2]				
Trading assets	14	0	14	0
Positive market value from derivative financial instruments	488	0	0	488
Securities borrowed or purchased under resale agreements[1]	69	0	0	69
Other financial assets at fair value through profit or loss	7	0	7	0
Financial assets available for sale[2]	3	0	3	0
Loans	419	72	17	329
Other assets	139	55	0	84
Total	**1,591**	**270**	**315**	**1,005**

1 Securities borrowed and securities purchased under resale agreements are all shown as other unencumbered. The use of the underlying collateral is separately captured in the off-balance sheet table below.
2 Excludes Debt securities and Equity instruments (separately disclosed above).
3 Prior period results have been restated due to a refined approach to determine assets pledged.

in bn. (unless stated otherwise)	Dec 31, 2016[1] Fair value of collateral received Assets	Encumbered assets	Unencumbered assets Readily available	Other
Collateral received:	322	260	62	0
Debt securities	218	168	50	0
Equity instruments	104	92	12	0
Other collateral received	0	0	0	0

[1] Prior period results have been restated due to a refined approach to determine collateral received and collateral re-pledged.

The above tables set out a breakdown of on- and off-balance sheet items, broken down between encumbered, readily available and other. Any securities borrowed or purchased under resale agreements are shown based on the fair value of collateral received.

The above tables of encumbered assets include assets that are not encumbered at an individual entity level, but which may be subject to restrictions in terms of their transferability within the group. Such restrictions may be due to local connected lending requirements or similar regulatory restrictions. In this situation it is not feasible to identify individual balance sheet items that cannot be transferred.

Maturity Analysis of Assets and Financial Liabilities

Treasury manages the maturity analysis of assets and liabilities. Modeling of assets and liabilities is necessary in cases where the contractual maturity does not adequately reflect the liquidity risk position. The most significant example in this context would be immediately repayable deposits from retail and transaction banking customers which have consistently displayed high stability throughout even the most severe financial crises.

The modeling profiles are part of the overall liquidity risk management framework (see section Liquidity Stress Testing and Scenario Analysis for short-term liquidity positions £ 1 year and section Structural Funding for long-term liquidity positions > 1 year) which is defined and approved by the Management Board.

The following tables present a maturity analysis of our total assets based on carrying value and upon earliest legally exercisable maturity as of December 31, 2017 and 2016, respectively.

Analysis of the earliest contractual maturity of assets

										Dec 31, 2017
in m.	On demand (incl. Overnight and one day notice)	Up to one month	Over 1 month to no more than 3 months	Over 3 months but no more than 6 months	Over 6 months but no more than 9 months	Over 9 months but no more than 1 year	Over 1 year but no more than 2 years	Over 2 years but no more than 5 years	Over 5 years	Total
Cash and central bank balances	222,082	1,173	106	94	29	2,053	118	0	0	225,655
Interbank balances (w/o central banks)	4,737	2,613	305	215	116	696	122	0	463	9,265
Central bank funds sold	0	0	0	0	0	0	0	0	0	0
Securities purchased under resale agreements	29	4,625	1,220	1,277	1,448	617	561	89	105	9,971
With banks	21	3,758	585	735	1,400	443	468	0	0	7,409
With customers	8	867	635	542	48	175	94	89	105	2,562
Securities borrowed	15,786	553	49	0	323	0	22	0	0	16,732
With banks	1,889	283	0	0	0	0	0	0	0	2,172
With customers	13,896	270	49	0	323	0	22	0	0	14,560
Financial assets at fair value through profit or loss trading	565,632	40,074	14,269	1,914	731	455	1,805	3,047	9,043	636,970
Trading assets	184,661	0	0	0	0	0	0	0	0	184,661
Fixed-income securities and loans	98,140	0	0	0	0	0	0	0	0	98,140
Equities and other variable-income securities	85,932	0	0	0	0	0	0	0	0	85,932
Other trading assets	590	0	0	0	0	0	0	0	0	590
Positive market values from derivative financial instruments	361,032	0	0	0	0	0	0	0	0	361,032
Financial assets designated at fair value through profit or loss	19,938	40,074	14,269	1,914	731	455	1,805	3,047	9,043	91,276
Securities purchased under resale agreements	5,364	36,195	12,160	1,115	662	125	1,066	903	253	57,843
Securities borrowed	14,540	3,786	1,928	0	0	0	0	0	0	20,254
Fixed-income securities and loans	34	93	182	799	68	17	720	2,144	8,216	12,273
Equities and other variable-income securities	0	0	0	0	0	132	20	0	573	725
Other financial assetsdesignated at fair value through profit or loss	0	0	0	0	0	181	0	0	1	182

Positive market values from derivative financial instruments qualifying for hedge accounting	0	40	191	26	139	9	119	1,029	1,601	3,153
Financial assets available for sale	47	1,175	1,257	2,934	1,728	2,742	5,469	15,438	18,608	49,397
Fixed-income securities and loans	24	969	1,253	2,934	1,728	2,021	5,404	15,418	18,016	47,766
Equities and other variable-income securities	23	206	4	0	0	721	64	20	592	1,630
Loans	17,334	27,284	27,229	17,442	9,273	14,628	27,053	62,232	199,225	401,699
To banks	787	2,163	2,832	1,979	1,253	821	1,103	670	1,230	12,838
To customers	16,546	25,121	24,397	15,463	8,021	13,807	25,950	61,562	197,995	388,862
Retail	4,291	4,725	4,645	1,632	1,721	1,313	4,720	15,216	151,449	189,712
Corporates and other customers	12,256	20,395	19,752	13,831	6,300	12,493	21,230	46,346	46,546	199,149
Securities held to maturity	0	0	0	0	0	0	0	1,652	1,518	3,170
Other financial assets	**85,083**	**352**	**179**	**135**	**92**	**143**	**21**	**433**	**74**	**86,513**
Total financial assets	**910,728**	**77,889**	**44,804**	**24,037**	**13,878**	**21,343**	**35,290**	**83,920**	**230,636**	**1,442,525**
Other assets	**20,451**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**11,756**	**32,207**
Total assets	**931,178**	**77,889**	**44,804**	**24,037**	**13,878**	**21,343**	**35,290**	**83,920**	**242,392**	**1,474,732**

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Analysis of the earliest contractual maturity of assets

										Dec 31, 2016
in m.	On demand (incl. Overnight and one day notice)	Up to one month	Over 1 month to no more than 3 months	Over 3 months but no more than 6 months	Over 6 months but no more than 9 months	Over 9 months but no more than 1 year	Over 1 year but no more than 2 years	Over 2 years but no more than 5 years	Over 5 years	Total
Cash and central bank balances	177,648	539	131	121	334	2,591	0	0	0	181,364
Interbank balances (w/o central banks)	5,841	3,578	596	83	65	834	115	26	469	11,606
Central bank funds sold	0	0	0	0	0	0	0	0	0	0
Securities purchased under resale agreements	631	4,204	5,852	3,170	1,368	532	449	15	67	16,287
With banks	604	2,534	5,026	2,077	1,217	461	0	0	0	11,918
With customers	27	1,670	826	1,093	152	71	449	15	67	4,370
Securities borrowed	19,548	532	0	0	0	0	0	0	0	20,081
With banks	2,459	52	0	0	0	0	0	0	0	2,511
With customers	17,089	480	0	0	0	0	0	0	0	17,570
Financial assets at fair value through profit or loss trading	677,696	33,314	9,577	1,752	776	1,983	2,995	2,803	12,884	743,781
Trading assets	171,044	0	0	0	0	0	0	0	0	171,044
Fixed-income securities and loans	94,486	0	0	0	0	0	0	0	0	94,486
Equities and other variable- income securities	75,633	0	0	0	0	0	0	0	0	75,633
Other trading assets	924	0	0	0	0	0	0	0	0	924
Positive market values from derivative financial instruments	485,150	0	0	0	0	0	0	0	0	485,150
Financial assets designated at fair value through profit or loss	21,502	33,314	9,577	1,752	776	1,983	2,995	2,803	12,884	87,587
Securities purchased under resale agreements	7,154	28,691	6,810	914	110	1,256	995	608	866	47,404
Securities borrowed	14,227	4,561	2,348	0	0	0	0	0	0	21,136
Fixed-income securities and loans	120	62	419	838	666	232	1,992	2,195	11,399	17,923
Equities and other variable- income securities	0	0	0	0	0	146	0	0	590	736
Other financial assets designated at fair value through profit or loss	1	0	0	0	0	350	7	0	29	387

Positive market values from derivative financial instruments qualifying for hedge accounting	0	61	201	39	52	30	257	1,030	1,846	3,516
Financial assets available for sale	471	1,154	2,344	1,031	1,915	2,298	9,210	18,778	19,028	56,228
Fixed-income securities and loans	251	1,008	2,341	1,031	1,915	1,334	9,210	18,733	18,452	54,275
Equities and other variable- income securities	219	146	3	0	0	964	0	45	575	1,953
Loans	18,364	23,666	26,185	29,223	9,128	9,107	28,787	66,383	198,067	408,909
To banks	937	1,978	3,043	2,425	650	641	1,529	1,298	775	13,276
To customers	17,427	21,688	23,142	26,798	8,477	8,467	27,258	65,085	197,292	395,633
Retail	6,446	3,872	5,436	2,397	1,630	2,055	5,634	17,450	157,616	202,536
Corporates and other customers	10,980	17,816	17,706	24,401	6,847	6,412	21,624	47,635	39,676	193,097
Securities held to maturity	0	0	0	0	0	0	0	1,515	1,691	3,206
Other financial assets	**104,400**	**475**	**1,052**	**221**	**240**	**135**	**58**	**671**	**2,878**	**110,131**
Total financial assets	**1,004,599**	**67,523**	**45,937**	**35,640**	**13,878**	**17,510**	**41,870**	**91,221**	**236,931**	**1,555,109**
Other assets	**23,492**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**11,944**	**35,437**
Total assets	**1,028,091**	**67,523**	**45,937**	**35,640**	**13,878**	**17,510**	**41,870**	**91,221**	**248,875**	**1,590,546**

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The following tables present a maturity analysis of our total liabilities based on carrying value and upon earliest legally exercisable maturity as of December 31, 2017 and 2016, respectively.

Analysis of the earliest contractual maturity of liabilities

										Dec 31, 2017
in m.	On demand (incl. Over-night and one day notice)	Up to one month	Over 1 month to no more than 3 months	Over 3 months but no more than 6 months	Over 6 months but no more than 9 months	Over 9 months but no more than 1 year	Over 1 year but no more than 2 years	Over 2 years but no more than 5 years	Over 5 years	Total
Deposits	359,619	34,022	111,695	23,800	12,196	9,416	9,133	9,175	11,757	580,812
Due to banks	58,070	5,618	10,520	4,464	1,081	1,345	2,744	5,277	8,921	98,041
Due to customers	301,549	28,404	101,174	19,336	11,115	8,071	6,389	3,898	2,836	482,771
Retail	120,110	10,308	73,883	3,014	2,011	1,264	948	859	271	212,669
Corporates and other customers	181,439	18,095	27,291	16,323	9,103	6,806	5,441	3,038	2,565	270,102
Trading liabilities	414,189	0	0	0	0	0	0	0	0	414,189
Trading securities	71,148	0	0	0	0	0	0	0	0	71,148
Other trading liabilities	314	0	0	0	0	0	0	0	0	314
Negative market values from derivative financial instruments	342,726	0	0	0	0	0	0	0	0	342,726
Financial liabilities designed at fair value through profit or loss (without loan commitments and financial guarantees)	16,018	29,236	6,080	1,574	548	5,520	665	1,091	3,134	63,866
Securities sold under repurchase agreements	14,722	28,857	4,167	1,089	5	4,897	62	24	18	53,840
Long-term debt	256	33	582	323	345	427	603	889	2,980	6,439
Other financial liabilities designated at fair value through profit or loss	1,040	346	1,332	161	199	196	1	178	136	3,587
Investment contract liabilities	0	0	0	0	0	574	0	0	0	574
Negative market values from derivative financial instruments qualifying for hedge accounting	0	11	58	230	65	41	423	249	218	1,294
Central bank funds purchased	174	83	0	0	0	0	0	0	0	257

Securities sold under repurchase agreements	14,143	353	1,497	409	94	837	476	16	23	17,849
Due to banks	11,459	266	1,453	327	43	736	476	11	0	14,772
Due to customers	2,684	87	44	82	52	102	0	5	23	3,077
Securities loaned	6,684	3	1	0	0	0	0	0	1	6,688
Due to banks	2,253	3	0	0	0	0	0	0	1	2,256
Due to customers	4,432	0	1	0	0	0	0	0	0	4,433
Other short term borrowings	11,831	848	1,542	1,227	738	2,226	0	0	0	18,411
Long-term debt	0	886	5,029	16,419	9,931	14,137	21,218	49,923	42,172	159,715
Debt securities senior	0	626	4,266	3,481	5,873	3,334	19,392	45,546	26,978	109,496
Debt securities subordinated	0	0	189	267	67	11	48	1,096	5,554	7,232
Other long-term debt senior	0	210	529	12,496	3,886	10,722	1,685	3,230	9,362	42,120
Other long-term debt subordinated	0	50	45	176	105	70	93	50	278	868
Trust Preferred Securities	0	0	1,644	2,723	274	183	666	0	0	5,491
Other financial liabilities	112,960	1,254	2,228	180	197	177	204	163	4	117,367
Total financial liabilities	**935,618**	**66,696**	**129,775**	**46,562**	**24,044**	**33,110**	**32,785**	**60,616**	**57,308**	**1,386,513**
Other liabilities	**20,112**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**20,112**
Total equity	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**68,099**	**68,099**
Total liabilities and equity	**955,730**	**66,696**	**129,775**	**46,562**	**24,044**	**33,110**	**32,785**	**60,616**	**125,407**	**1,474,724**
Off-balance sheet commitments given	6,290	8,484	10,418	16,261	8,234	15,928	27,732	84,121	28,996	206,464
Banks	238	406	1,398	1,591	557	733	952	346	216	6,437
Retail	352	253	389	247	108	205	223	445	8,483	10,706
Corporates and other customers	5,700	7,825	8,630	14,423	7,569	14,990	26,557	83,330	20,297	189,320

Analysis of the earliest contractual maturity of liabilities

										Dec 31, 2016
in m.	On demand (incl. Over-night and one day notice)	Up to one month	Over 1 month to no more than 3 months	Over 3 months but no more than 6 months	Over 6 months but no more than 9 months	Over 9 months but no more than 1 year	Over 1 year but no more than 2 years	Over 2 years but no more than 5 years	Over 5 years	Total
Deposits	329,776	36,590	110,606	17,562	15,756	12,595	8,532	8,041	10,746	550,204
Due to banks	64,438	9,602	13,129	2,279	6,175	4,220	1,885	5,372	8,993	116,094
Due to customers	265,337	26,988	97,477	15,283	9,581	8,375	6,647	2,669	1,752	434,110
Retail	109,943	10,761	75,517	3,191	1,744	902	785	911	279	204,033
Corporates and other customers	155,395	16,227	21,960	12,093	7,837	7,472	5,862	1,758	1,473	230,077
Trading liabilities	520,887	0	0	0	0	0	0	0	0	520,887
Trading securities	56,592	0	0	0	0	0	0	0	0	56,592
Other trading liabilities	437	0	0	0	0	0	0	0	0	437
Negative market values from derivative financial instruments	463,858	0	0	0	0	0	0	0	0	463,858
Financial liabilities designed at fair value through profit or loss (without loan commitments and financial guarantees)	1,992	38,633	8,123	2,212	744	3,745	1,031	1,004	2,969	60,452
Securities sold under repurchase agreements	1,587	36,128	7,584	1,791	2	2,739	566	0	0	50,397
Long-term debt	201	73	329	384	640	859	398	949	2,640	6,473
Other financial liabilities designated at fair value through profit or loss	203	2,432	210	37	102	147	68	55	329	3,582
Investment contract liabilities	0	0	0	0	0	592	0	0	0	592
Negative market values from derivative financial instruments qualifying for hedge accounting	0	249	324	194	312	231	943	1,484	856	4,593
Central bank funds purchased	353	0	0	0	0	0	0	0	0	353
Securities sold under repurchase agreements	19,957	1,510	844	1,191	0	1,178	434	271	0	25,387
Due to banks	14,934	1,510	844	1,191	0	1,178	292	271	0	20,222
Due to customers	5,023	0	0	0	0	0	142	0	0	5,165
Securities loaned	3,587	10	1	0	0	0	0	0	0	3,598

Due to banks	1,488	4	0	0	0	0	0	0	0	1,492
Due to customers	2,099	6	1	0	0	0	0	0	0	2,106
Other short term borrowings	13,216	921	1,073	265	1,292	529	0	0	0	17,295
Long-term debt	0	1,037	5,275	8,143	10,113	4,190	43,315	56,444	43,799	172,316
Debt securities senior	0	989	5,085	7,476	9,772	3,534	13,284	51,704	30,162	122,006
Debt securities subordi- nated	0	0	0	0	0	231	140	1,124	5,293	6,788
Other long-term debt senior	0	43	190	582	284	384	29,507	3,496	8,063	42,549
Other long-term debt - subordinated	0	5	0	85	56	42	384	120	281	974
Trust Preferred Securities	0	0	0	730	1,054	413	4,176	0	0	6,373
Other financial liabilities	128,398	976	1,665	221	201	161	295	112	3,246	135,274
Total financial liabilities	**1,018,165**	**79,926**	**127,911**	**30,518**	**29,473**	**23,635**	**58,726**	**67,356**	**61,616**	**1,497,325**
Other liabilities	**28,362**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**28,362**
Total equity	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**64,819**	**64,819**
Total liabilities and equity	**1,046,527**	**79,926**	**127,911**	**30,518**	**29,473**	**23,635**	**58,726**	**67,356**	**126,435**	**1,590,506**
Off-balance sheet commitments given	6,061	9,569	8,896	13,765	8,708	14,794	30,609	98,024	27,978	218,404
Banks	305	688	1,501	1,671	602	587	1,185	958	192	7,688
Retail	253	124	95	226	283	387	757	538	8,875	11,540
Corporates and other customers	5,503	8,757	7,300	11,868	7,823	13,820	28,667	96,528	18,911	199,176

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Introduction

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

The Compensation Report comprises the following three sections:

Management Board Compensation Report

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

Employee Compensation Report

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

Supervisory Board Report and Disclosure

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

The report complies with the requirements of Section 314 (1) No. 6 of the German Commercial Code (Handelsgesetzbuch, HGB), the German Accounting Standard No. 17 (DRS 17) Reporting on Executive Body Remuneration , CRR, InstVV, and the recommendations of the German Corporate Governance Code.

Letter of the Chairman of the Supervisory Board

Dear Shareholders,

In the following report on the remuneration of the members of the Management Board you will find comprehensive information on the compensation system and the compensation for the members of the Management Board possibly in even greater detail than some of you might wish to study. Let me therefore summarise in brief the main points:

At last year s General Meeting, you, our shareholders, resolved with a majority of 97 % a compensation system for the Group Management Board which forms the basis for our compensation decisions. Pursuant to this compensation system, each of the Management Board members, alongside a fixed salary and a contribution to the company pension plan, is entitled to a variable compensation which is subject to annually defined objectives and their achievement. The largest part (60 %) of the variable compensation is long-term and Group-oriented, the remaining part (a maximum of 40 %) takes into account short-term Group targets and individual or divisional objectives. In the year under review, the achievement level for the Long-Term Award was 38 % and for the short-term Group targets 45 %. For details please refer to the following pages.

However, the Management Board and the Supervisory Board are well aware that the result of the 2017 financial year is not satisfactory with a net loss. To underline this, the members of the Management Board have declared to the Supervisory Board that they are waiving the determination and granting of variable compensation for the 2017 financial year. The Supervisory Board respects this decision and for this reason refrained from determining any variable remuneration for the 2017 financial year for the members of the Management Board. Thus, the Management Board receives no variable compensation for the third consecutive year. On behalf of the Supervisory Board, I would like to pay tribute to the readiness of the Management Board to waive the contractual compensation components in the interest of our bank.

Despite the waiver, the subsequent report is intended to illustrate the objectives on which the individual assessments of the Supervisory Board are based with regard to the Group targets and thus meet the expectations of our investors regarding the transparency of the remuneration system.

The Supervisory Board welcomes constructive feedback and criticism on this important topic and looks forward to the discussions with you at the General Meeting.

Yours sincerely,

Dr. Paul Achleitner

Management Board Compensation Report

Management Board Compensation Governance

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

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

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

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

Principles of the Management Board Compensation and the Compensation System

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

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

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

performance of Deutsche Bank.

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

Compensation Structure since January 2017

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

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

Non-Performance-Related Components (Fixed Compensation)

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

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

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

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

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

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

Performance-Related Components (Variable Compensation)

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

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

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

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

Short-Term Award (STA)

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

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

- the Group Component and
- the Individual Component.

Group Component

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

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

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

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

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

Individual Component

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

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

Minimum, Target and Maximum Values

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

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

[1] STA: Short-Term Award.

Long-Term Award (LTA)

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

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

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

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

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

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

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

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

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

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

Objectives

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

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

Maximum Compensation

Total Compensation/Target and Maximum Values

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

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

The total compensation of a Management Board member is subject to additional caps. Due to regulatory requirements, the variable compensation is capped at 200 % of the fixed compensation. In addition, the Supervisory Board again set a cap of 9.85 million for the overall

total compensation for the 2017 financial year. Consequently, compensation is capped at a maximum of 9.85 million, even where the level of the target achievement would result in higher compensation. The functional allowance which may be granted for a fixed period does not count towards the cap.

Long-Term Incentive and Sustainability

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

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

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

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

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

Forfeiture Conditions / Clawback

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

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

Limitations in the Event of Exceptional Developments

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

Shareholding Guidelines

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

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

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

With effect from the 2017 financial year, the former waiting period by which these requirements were to be fulfilled has been replaced by a provision which is linked to the amount of the equity-based variable compensation granted. The share retention obligations must first be fulfilled on the date on which the Management Board member was granted an overall equity based variable compensation corresponding to 1 $^{1}/_{3}$ times the retention obligations since his or her appointment to the Management Board. Deferred equity-based compensation may be taken into account at 75 % of its value towards fulfillment of the obligation.

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

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

Pension benefits

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

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

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

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

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

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

Other Benefits upon Early Termination

The Management Board members are in principle entitled to receive a severance payment upon early termination of their appointment at the Bank s initiative, provided the Bank is not entitled to revoke the appointment or give notice under the contractual agreement for cause. The circumstances of the early termination of the appointment and the length of service on the Management Board are to be taken into account when determining the amount of the severance payment. The severance payment, as a rule, is two annual compensation amounts and is limited to the claims to compensation for the remaining term of the contract. The calculation of the severance payment is based on the annual compensation

for the previous financial year and on the expected annual compensation for the current financial year, if applicable. The severance payment is determined in accordance with the statutory and regulatory requirements, in particular with the provisions of the InstVV.

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

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

Expense for Long-Term Incentive Components

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

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

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

Management Board compensation for the 2017 financial year

Base Salary

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

Variable Compensation

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

Level of Objective Achievement

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

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

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

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

John Cryan

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

Kimberly Hammonds

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

Stuart Lewis

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

Sylvie Matherat

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

James von Moltke

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

Nicolas Moreau

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

Garth Ritchie

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

Karl von Rohr

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

Dr Marcus Schenck

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

Christian Sewing

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

Werner Steinmüller

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

Frank Strauß

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

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

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

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

Total Compensation

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

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

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

[1] STA: Short-Term Award.
[2] LTA: Long-Term Award.
[3] Member since August 1, 2016.
[4] Member since July 1, 2017.
[5] Member since October 1, 2016.

[6] Member since August 1, 2016.
[7] Member since September 1, 2017.
[8] Member until March 31, 2017.
[9] Member until May 19, 2016 / contract termination on May 31, 2016.
[10] Member from January 1 until June 15, 2016.

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

Share awards

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

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

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

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Management Board Share Ownership

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

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

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

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

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

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

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

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

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

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

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

[1] Without fringe benefits and pension service costs.

						Kimberly Hammonds[1]
				2017		2016
in	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	2,400,000	2,400,000	2,400,000	2,400,000	1,000,000	1,000,000
Fringe benefits	260,489	260,489	260,489	260,489	6,035	6,035
Total	**2,660,489**	**2,660,489**	**2,660,489**	**2,660,489**	**1,006,035**	**1,006,035**

Variable compensation	0	4,100,000	0	6,800,000	0	1,416,667
thereof:						
Restricted Incentive Awards	0	1,300,000	0	2,600,000	0	416,667
Restricted Equity Awards	0	2,800,000	0	4,200,000	0	1,000,000
Total	**0**	**4,100,000**	**0**	**6,800,000**	**0**	**1,416,667**
Pension service costs	842,110	842,110	842,110	842,110	270,466	270,466
Total compensation (GCGC)	**3,502,599**	**7,602,599**	**3,502,599**	**10,302,599**	**1,276,501**	**2,693,168**
Total compensation[2]	**2,400,000**	**6,500,000**	**2,400,000**	**9,200,000**	**1,000,000**	**2,416,667**

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

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

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

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

[1] Without fringe benefits and pension service costs.

	James von Moltke[1]					
	2017				2016	
in €	Determined[2]	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	1,200,000	1,200,000	1,200,000	1,200,000		
Fringe benefits	473,299	473,299	473,299	473,299		
Total	**1,673,299**	**1,673,299**	**1,673,299**	**1,673,299**		
Variable compensation	4,858,442	2,050,000	0	3,400,000		
thereof:						
Cash	355,404	0	0	0		
Restricted Incentive Awards	1,600,227	650,000	0	1,300,000		
Equity Upfront Awards	355,404	0	0	0		
Restricted Equity Awards	2,547,407	1,400,000	0	2,100,000		

Total	**4,858,442**	**2,050,000**	**0**	**3,400,000**
Pension service costs	451,453	451,453	451,453	451,453
Total compensation (GCGC)	**6,983,194**	**4,174,752**	**2,124,752**	**5,524,752**
Total compensation[3]	**6,058,442**	**3,250,000**	**1,200,000**	**4,600,000**

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

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

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

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

Total compensation[1]	**3,000,000**	**7,700,000**	**3,000,000**	**11,000,000**	**2,400,000**	**7,000,000**

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

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

[1] Without fringe benefits and pension service costs.

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

[1] Without fringe benefits and pension service costs.

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

[1] Without fringe benefits and pension service costs.

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

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

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

1 Member since September 1, 2017.

2 Without fringe benefits and pension service costs.

						Jeffrey Urwin[1]
				2017		2016
in	Determined	Target	Min	Max	Determined	Target
Fixed compensation (base salary)	600,000	600,000	600,000	600,000	2,400,000	2,400,000
Fringe benefits	530	530	530	530	59,763	59,763
Total	**600,530**	**600,530**	**600,530**	**600,530**	**2,459,763**	**2,459,763**
Variable compensation	0	0	0	0	0	6,100,000
thereof:						
Restricted Incentive Awards	0	0	0	0	0	3,300,000
Restricted Equity Awards	0	0	0	0	0	2,800,000
Total	**0**	**0**	**0**	**0**	**0**	**6,100,000**

Pension service costs	557,370	557,370	557,370	557,370	2,036,367	2,036,367
Total compensation (GCGC)	**1,157,900**	**1,157,900**	**1,157,900**	**1,157,900**	**4,496,130**	**10,596,130**
Total compensation[2]	**600,000**	**600,000**	**600,000**	**600,000**	**2,400,000**	**8,500,000**

[1] Member until March 31, 2017.

[2] Without fringe benefits and pension service costs.

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

[1] Member until May 19, 2016 / contract termination on May 31, 2016.

[2] Without fringe benefits and pension service costs.

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

[1] Member from January 1 until June 15, 2016.

[2] Without fringe benefits and pension service costs.

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

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

[1] Member since August 1, 2016.

	James von Moltke[1]		Nicolas Moreau[2]		Garth Ritchie		Karl von Rohr	
in	2017	2016	2017	2016	2017	2016	2017	2016
Fixed compensation	1,200,000		2,400,000	600,000	3,000,000	2,400,000	2,400,000	2,400,000
Functional allowance	0		0	0	250,000	0	0	0
Fringe benefits	473,299		59,383	5,239	269,457	110,241	23,642	47,730
Total	**1,673,299**		**2,459,383**	**605,239**	**3,519,457**	**2,510,241**	**2,423,642**	**2,447,730**
Variable compensation	355,404		0	0	0	0	0	0

thereof Cash:	355,404		0	0	0	0	0	0
thereof Equity Awards:								
2013 Equity Upfront Award for 2012	0		0	0	0	0	0	0
2014 Equity Upfront Award for 2013	0		0	0	0	0	0	0
thereof Restricted Incentive Awards:								
2013 Restricted Incentive Award for 2012	0		0	0	0	0	0	0
2014 Restricted Incentive Award for 2013	0		0	0	0	0	0	0
2015 Restricted Incentive Award for 2014	0		0	0	0	0	0	0
Total	**355,404**		**0**	**0**	**0**	**0**	**0**	**0**
Pension service costs	451,453		1,232,878	442,672	1,306,915	1,443,171	807,465	546,402
Total compensation (GCGC)	**2,480,156**		**3,692,261**	**1,047,911**	**4,826,372**	**3,953,412**	**3,231,107**	**2,994,132**

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

2 Member since October 1, 2016.

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

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

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

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

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

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

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

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

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

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Compensation according to GAS 17

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

[1] Member since August 1, 2016.

in	James von Moltke[1]		Nicolas Moreau[2]		Garth Ritchie		Karl von Rohr	
	2017	2016	2017	2016	2017	2016	2017	2016
Compensation								
Performance-related components								
With short-term incentives								

Cash	355,404		0	0	0	0	0	0
With long-term incentives								
Cash-based								
Restricted Incentive Award(s) paid	0		0	0	0	0	0	0
Share-based								
Equity Upfront Award(s)	355,404		0	0	0	0	0	0
Restricted Equity Award(s)	2,547,407		0	0	0	0	0	0
Non-performance-related components								
Base salary	1,200,000		2,400,000	600,000	3,000,000	2,400,000	2,400,000	2,400,000
Functional allowance	0		0	0	250,000	0	0	0
Fringe benefits	473,299		59,383	5,239	269,457	110,241	23,642	47,730
Total	**4,931,514**		**2,459,383**	**605,239**	**3,519,457**	**2,510,241**	**2,423,642**	**2,447,730**

1 Member since July 1, 2017.

2 Member since October 1, 2016.

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

[1] Member since August 1, 2016.

[2] Member since September 1, 2017.

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

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

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

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

Employee Compensation Report

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

Regulatory Environment

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

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

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

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

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

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

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

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

Compensation Governance

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

Compensation Control Committee (CCC)

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

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

Compensation Officer

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

Senior Executive Compensation Committee (SECC)

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

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

Compensation Strategy

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

Five key objectives of our compensation practices

To support the delivery of the Bank s client-focused, global bank strategy by attracting and retaining talent across its full range of diverse business models and country locations

To support the long-term, sustainable performance and development of the Bank and a corresponding risk strategy

To promote and support long-term performance based on cost discipline and efficiency

Core remuneration principles

Align compensation to shareholder interests and sustained bank-wide profitability, taking account of risk

Maximize sustainable performance, both at the employee and the bank-wide level

Attract and retain the best talent

To ensure that the Bank s compensation practices are safe, by way of risk-adjusting performance outcomes, preventing inappropriate risk taking, ensuring sustained compatibility with capital and liquidity planning, and complying with regulation

To apply and promote the Bank s corporate values of integrity, sustainable performance, client centricity, innovation, discipline and partnership

Calibrate compensation to reflect different divisions and levels of responsibility

Apply a simple and transparent compensation design

Ensure compliance with regulatory requirements

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

Total Compensation Framework

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

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

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

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

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

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

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

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

Determination of Variable Compensation

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

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

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

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

Variable Compensation Structure

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

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

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

Overview on 2017 Award Types

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

and retention period

N/A Not applicable

[1] For certain AIFMD/UCITS V employees: Employee Investment Plan (EIP). These are cash settled awards based on the value of funds managed by the business.

[2] For the purposes of performance-year 2017 annual awards, Senior Management is defined as the Deutsche Bank s Senior Leadership Cadre , which includes direct reports of Deutsche Bank AG Management Board Members (excluding non-strategic roles), Management Board Members of the bank s significant institutions (excluding Deutsche Bank AG and Postbank AG for whom other remuneration systems apply) and other senior employees who are significant influencers and stewards of the Deutsche Bank s long-term health and performance. All Senior Management employees are also considered MRTs.

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

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

Ex-post Risk Adjustment of Variable Compensation

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

Compensation Decisions for 2017

Retention Award Program (granted in January 2017)

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

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

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

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

Year-end considerations and decisions for 2017

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

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

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

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

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

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

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

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

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

Disclosure of Total Compensation for 2017

Deutsche Bank decided in 2017 to move infrastructure employees to the divisions they service in order to increase the overall efficiency and collaboration within the Group. This helped to increase our business divisions responsibility and autonomy with respect to their organisational decisions and processes and led to a significant increase of the number of employees associated with the business divisions compared to 2016 in

particular in the Corporate & Investment Bank as well as in Deutsche Asset Management. Independent Control Functions generally remained in central areas.

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

Compensation awards for 2017 all employees

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

N/A Not applicable

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

Recognition and Amortization of Variable Compensation

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

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

Material Risk Taker Compensation Disclosure

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

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

Aggregate remuneration for Material Risk Takers according to InstVV

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

Deferred Variable Pay awarded, paid out or reduced during period	**158**	**497**	**33**	**38**	**24**	**12**	**762**	**1,160**
awarded during period								
paid out during period	118	415	39	33	22	12	639	725
reduced through explicit risk adjustments[6]	0	3	0	0	0	0	3	13
Article 450 (1) h(v) of the CRR on hiring bonuses								
Number of beneficiaries of guaranteed variable remuneration (hiring bonuses)	3	18	0	1	4	1	27	42
Total amount of guaranteed variable pay (hiring bonuses)	1	18	0	1	1	1	21	61
Article 450 (1) h(v) and (vi) of the CRR on severance payments								
Total amount of severance payments granted[7]	2	12	3	0	0	2	21	42
Number of beneficiaries of severance payments granted by headcount	2	35	6	2	4	4	53	114
Highest severance payment granted to an individual	2	5	2	0	0	1	5	4

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

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Remuneration of high earners

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

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

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

Compensation System for Supervisory Board Members

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

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

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

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

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

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

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

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

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Supervisory Board Compensation for the 2017 Financial Year

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

Members of the Supervisory Board	Compensation for fiscal year 2017		Compensation for fiscal year 2016	
in	Fixed	Thereof payable in 1st quarter 2018	Fixed	Thereof payable in February 2017
Dr. Paul Achleitner[1]	800,000	683,333	800,000	600,000
Stefan Rudschäfski[2]	300,000	225,000	0	0
Alfred Herling[3]	0	0	300,000	300,000
Wolfgang Böhr	200,000	150,000	141,667	106,250
Frank Bsirske	250,000	187,500	250,000	187,500
Dina Dublon	300,000	225,000	300,000	225,000
Jan Duscheck[4]	100,000	75,000	41,667	31,250
Gerhard Eschelbeck[5]	58,333	43,750	0	0
Katherine Garrett-Cox[6]	200,000	150,000	125,000	104,167
Timo Heider	200,000	150,000	200,000	150,000
Sabine Irrgang	200,000	150,000	200,000	150,000
Prof. Dr. Henning Kagermann	250,000	187,500	250,000	187,500
Martina Klee	200,000	150,000	200,000	150,000
Peter Löscher[7]	83,333	83,333	200,000	150,000
Henriette Mark	200,000	150,000	200,000	150,000
Richard Meddings	400,000	300,000	400,000	300,000
Louise Parent	400,000	300,000	333,333	250,000

Gabriele Platscher	200,000	150,000	200,000	150,000
Bernd Rose	200,000	150,000	200,000	150,000
Gerd Alexander Schütz[8]	58,333	43,750	0	0
Prof. Dr. Stefan Simon[9]	216,667	162,500	33,333	25,000
Rudolf Stockem[10]	0	0	116,667	116,667
Dr. Johannes Teyssen	250,000	187,500	216,667	162,500
Georg Thoma[11]	0	0	108,333	108,333
Prof. Dr. Klaus Rüdiger Trützschler[12]	83,333	83,333	200,000	150,000
Total	**5,150,000**	**3,987,500**	**5,016,667**	**3,904,167**

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

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

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

	Number of notional shares			
Members of the Supervisory Board	Converted in February 2018 as part of the compensation 2017	Total prior-year amounts from 2013 to 2016	Total (cumulative)	In February 2018 payable in € [1]
Dr. Paul Achleitner[2]	7,547.235	34,842.354	42,389.589	538,593
Stefan Rudschäfski[3]	4,851.794	0	4,851.794	0
Wolfgang Böhr	3,234.529	2,039.332	5,273.861	0
Frank Bsirske	4,043.162	9,812.535	13,855.697	0
Dina Dublon	4,851.794	10,445.634	15,297.428	0
Jan Duscheck[4]	1,617.265	564.436	2,181.701	0
Gerhard Eschelbeck[5]	943.404	0	943.404	0
Katherine Garrett-Cox[6]	3,234.529	1,128.872	4,363.401	0
Timo Heider	3,234.529	7,870.476	11,105.005	0
Sabine Irrgang	3,234.529	7,870.476	11,105.005	0
Prof. Dr. Henning Kagermann	4,043.162	10,517.526	14,560.688	0
Martina Klee	3,234.529	8,152.472	11,387.001	0
Peter Löscher[7]	0	8,152.472	8,152.472	126,021
Henriette Mark	3,234.529	8,896.223	12,130.752	0
Richard Meddings	6,469.058	6,861.587	13,330.645	0

Louise Parent	6,469.058	8,294.024	14,763.082	0
Gabriele Platscher	3,234.529	8,614.226	11,848.755	0
Bernd Rose	3,234.529	8,332.230	11,566.759	0
Gerd Alexander Schütz[8]	943.404	0	943.404	0
Prof. Dr. Stefan Simon[9]	3,504.073	451.549	3,955.622	0
Dr. Johannes Teyssen	4,043.162	6,972.511	11,015.673	0
Prof. Dr. Klaus Rüdiger Trützschler[10]	0	8,896.223	8,896.223	137,518
Total	**75,202.803**	**158,715.158**	**233,917.961**	**802,132**

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

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

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

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

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Employees

Group Headcount

As of December 31, 2017, we employed a total of 97,535 staff members compared to 99,744 as of December 31, 2016. We calculate our employee figures on a full-time equivalent basis, meaning we include proportionate numbers of part-time employees.

The following table shows our numbers of full-time equivalent employees as of December 31, 2017, 2016 and 2015.

Employees[1]	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Germany	42,526	44,600	45,757
Europe (outside Germany), Middle East and Africa	23,543	24,062	23,767
Asia/Pacific	20,861	20,099	20,144
North America[2]	10,358	10,611	10,842
Latin America	247	373	595
Total employees	**97,535**	**99,744**	**101,104**

[1] Full-time equivalent employees.
[2] Primarily the United States.

The number of our employees decreased in 2017 by 2,209 or 2.2% driven by implementation of our targets originally announced in October 2015:

Germany (-2,073; -4.6%) driven by the implementation of restructuring measures, primarily in Private & Commercial Bank and in infrastructure functions;

North America (-254; -2.4%) driven by reductions mostly in COO/GTO and in Finance;

Latin America (-126; -33.7%) as a result of the implementation of our footprint strategy;

EMEA ex Germany (-518; -2.2%) driven by reductions mainly in Italy, Poland, Luxembourg, the Netherlands and Spain;

Asia/Pacific primarily (+762; +3.8%) due to insourcing of business critical external roles, primarily in COO, and due to strengthening CIB related infrastructure functions.

Employees	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015
Corporate & Investment Bank	17.7%	17.2%	17.0%
Private & Commercial Bank	44.5%	45.2%	46.1%
Deutsche Asset Management	3.9%	3.9%	3.9%
Non-Core Operations Unit	0.0%	0.1%	0.1%
Infrastructure / Regional Management	33.9%	33.6%	32.9%

Corporate & Investment Bank (+122; +0.7%) driven by CIB related infrastructure functions partly related to insourcing of business critical external roles;

Private & Commercial Bank (-1,584; -3.5%) driven by reductions primarily in Germany and in western European countries;

Deutsche Asset Management (-86; -2.2%) particularly a result of the divestment of Sal Oppenheim in Luxembourg;

Non-Core Operations Unit (-116; -100.0%) has been closed;

Infrastructure functions (-545; -1.6%) mainly driven by reductions in most functions partly offset by insourcing of business critical external roles (primarily in COO) and due to strengthening of regulatory functions, predominantly Anti-Financial Crime and Audit.

Labor Relations

In Germany, labor unions and employers associations generally negotiate collective bargaining agreements on salaries and benefits for employees below the management level. Many companies in Germany, including ourselves and our material German subsidiaries, are members of employers associations and are bound by collective bargaining agreements.

Each year, our employers association, the Arbeitgeberverband des privaten Bankgewerbes e.V., ordinarily renegotiates the collective bargaining agreements that cover many of our employees. The current agreement reached in July 2016 includes the period from May 2016 onwards. After five months without any pay raise, a first pay raise of 1.5% takes place from October 2016 on, a second pay rise of 1.1% from January 2018 on, and a third pay raise of 1.1% from November 2018 on. The existing collective bargaining agreement will last until January 31, 2019.

Our employers association negotiates with the following unions:

ver.di (Vereinigte Dienstleistungsgewerkschaft), a union formed in July 2001 resulting from the merger of five unions, including the former bank unions Deutsche Angestellten Gewerkschaft and Gewerkschaft Handel, Banken und Versicherungen;

Deutscher Bankangestellten Verband (DBV Gewerkschaft der Finanzdienstleister);

Deutscher Handels- und Industrieangestellten Verband (DHV Die Berufsgewerkschaft);

Komba Gewerkschaft (public service union, only relevant for Postbank);

DPVKom Die Kommunikationsgewerkschaft (only relevant for Postbank).

German law prohibits us from asking our employees whether they are members of labor unions. Therefore, we do not know how many of our employees are union members. Approximately 15% of the employees in the German banking industry are unionized. We estimate that less than 15% of our employees in Germany are unionized (excluding Postbank, which itself traditionally has a significantly higher unionization rate of approximately 60%). On a worldwide basis, we estimate that approximately 15% of our employees are members of labor unions (including Postbank, less than 25%).

As of December 31, 2017, 32% of Postbank staff members in Germany are civil servants (full-time equivalent basis), compared to 32% as of December 31, 2016.

Post-Employment Benefit Plans

We sponsor a number of post-employment benefit plans on behalf of our employees, both defined contribution plans and defined benefit plans.

In our globally coordinated accounting process covering defined benefit plans with a defined benefit obligation exceeding 2 million our global actuary reviews the valuations provided by locally appointed actuaries in each country.

By applying our global principles for determining the financial and demographic assumptions we ensure that the assumptions are best-estimate, unbiased and mutually compatible, and that they are globally consistent.

For a further discussion on our employee benefit plans see Note 35 Employee Benefits to our consolidated financial statements.

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Consolidated Statement of Income

in m.	Notes	2017	2016	2015
Interest and similar income	5	24,092	25,636	25,967
Interest expense	5	11,714	10,929	10,086
Net interest income	**5**	**12,378**	**14,707**	**15,881**
Provision for credit losses	20	525	1,383	956
Net interest income after provision for credit losses		**11,853**	**13,324**	**14,925**
Commissions and fee income	6	11,002	11,744	12,765
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	5	2,926	1,401	3,842
Net gains (losses) on financial assets available for sale	7	479	653	203
Net income (loss) from equity method investments	17	137	455	164
Other income (loss)	8	(475)	1,053	669
Total noninterest income		**14,070**	**15,307**	**17,644**
Compensation and benefits	35	12,253	11,874	13,293
General and administrative expenses	9	11,973	15,454	18,632
Policyholder benefits and claims		0	374	256
Impairment of goodwill and other intangible assets	25	21	1,256	5,776
Restructuring activities	10	447	484	710
Total noninterest expenses		**24,695**	**29,442**	**38,667**
Income (loss) before income taxes		**1,228**	**(810)**	**(6,097)**
Income tax expense	**36**	**1,963**	**546**	**675**

Net income (loss)	**(735)**	**(1,356)**	**(6,772)**
Net income attributable to noncontrolling interests	15	45	21
Net income (loss) attributable to Deutsche Bank shareholders and additional equity components	(751)	(1,402)	(6,794)

Earnings per Share

in m.	Notes	2017	2016	2015
Earnings per share:[1,2]	**11**			
Basic		(0.53)	(1.08)	(4.52)
Diluted		(0.53)	(1.08)	(4.52)
Number of shares in million:[1]				
Denominator for basic earnings per share weighted-average shares outstanding		1,967.7	1,555.3	1,555.1
Denominator for diluted earnings per share adjusted weighted-average shares after assumed conversions[3]		1,967.7	1,555.3	1,555.1

[1] The number of average basic and diluted shares outstanding has been adjusted for all periods before April 2017 in order to reflect the effect of the bonus component of subscription rights issued in April 2017 in connection with the capital increase.
[2] Earnings were adjusted by 298 and 276 and 228 million net of tax for the coupons paid on Additional Tier 1 Notes in April 2017, April 2016 and April 2015.
[3] Due to the net loss situation for 2017, 2016 and 2015 potentially dilutive shares are generally not considered for the earnings per share calculation, because to do so would decrease the net loss per share. Under a net income situation however, the number of adjusted weighted average shares after assumed conversion would have been increased by 62 million shares for 2017, 27 million shares for 2016 and 27 million shares for 2015.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

in m.	2017	2016	2015
Net income (loss) recognized in the income statement	**(735)**	**(1,356)**	**(6,772)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gains (losses) related to defined benefit plans, before tax	(69)	(861)	203
Total of income tax related to items that will not be reclassified to profit or loss	(23)	344	(213)
Items that are or may be reclassified to profit or loss			
Financial assets available for sale			
Unrealized net gains (losses) arising during the period, before tax	197	(2)	(242)
Realized net (gains) losses arising during the period (reclassified to profit or loss), before tax	(523)	(571)	(163)
Derivatives hedging variability of cash flows			
Unrealized net gains (losses) arising during the period, before tax	(34)	62	1
Realized net (gains) losses arising during the period (reclassified to profit or loss), before tax	(137)	(2)	20
Assets classified as held for sale			
Unrealized net gains (losses) arising during the period, before tax	(162)	529	662
Realized net (gains) losses arising during the period (reclassified to profit or loss), before tax	162	(1,191)	0
Foreign currency translation			
Unrealized net gains (losses) arising during the period, before tax	(2,699)	203	2,156
Realized net (gains) losses arising during the period (reclassified to profit or loss), before tax	20	(2)	4
Equity Method Investments			
Net gains (losses) arising during the period	(36)	11	48
Total of income tax related to items that are or may be reclassified to profit or loss	146	117	19
Other comprehensive income (loss), net of tax	**(3,157)**	**(1,364)**	**2,493**
Total comprehensive income (loss), net of tax	**(3,892)**	**(2,721)**	**(4,278)**
Attributable to:			
Noncontrolling interests	(20)	52	45
Deutsche Bank shareholders and additional equity components	(3,872)	(2,773)	(4,323)

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Balance Sheet

in m.	Notes	Dec 31, 2017	Dec 31, 2016
Assets:			
Cash and central bank balances		225,655	181,364
Interbank balances (w/o central banks)		9,265	11,606
Central bank funds sold and securities purchased under resale agreements	21, 22	9,971	16,287
Securities borrowed	21, 22	16,732	20,081
Financial assets at fair value through profit or loss			
Trading assets		184,661	171,044
Positive market values from derivative financial instruments		361,032	485,150
Financial assets designated at fair value through profit or loss		91,276	87,587
Total financial assets at fair value through profit or loss	12, 13, 21, 22, 37	636,970	743,781
Financial assets available for sale	15, 21, 22	49,397	56,228
Equity method investments	17	866	1,027
Loans	19, 20, 21, 22	401,699	408,909
Securities held to maturity	16	3,170	3,206
Property and equipment	23	2,663	2,804
Goodwill and other intangible assets	25	8,839	8,982
Other assets	26, 27	101,491	126,045
Assets for current tax	36	1,215	1,559
Deferred tax assets	36	6,799	8,666
Total assets		**1,474,732**	**1,590,546**

Liabilities and equity:			
Deposits	28	580,812	550,204
Central bank funds purchased and securities sold under repurchase agreements	21, 22	18,105	25,740
Securities loaned	21, 22	6,688	3,598
Financial liabilities at fair value through profit or loss	12, 37		
Trading liabilities		71,462	57,029
Negative market values from derivative financial instruments		342,726	463,858
Financial liabilities designated at fair value through profit or loss		63,874	60,492
Investment contract liabilities		574	592
Total financial liabilities at fair value through profit or loss		478,636	581,971
Other short-term borrowings	31	18,411	17,295
Other liabilities	26, 27	132,208	155,440
Provisions	20, 29	5,219	10,973
Liabilities for current tax	36	1,001	1,329
Deferred tax liabilities	36	346	486
Long-term debt	32	159,715	172,316
Trust preferred securities	32	5,491	6,373
Obligation to purchase common shares		0	0
Total liabilities		**1,406,633**	**1,525,727**
Common shares, no par value, nominal value of 2.56	34	5,291	3,531
Additional paid-in capital		39,918	33,765
Retained earnings		17,454	18,987
Common shares in treasury, at cost	34	(9)	0
Equity classified as obligation to purchase common shares		0	0
Accumulated other comprehensive income (loss), net of tax		520	3,550
Total shareholders equity		**63,174**	**59,833**
Additional equity components		4,675	4,669
Noncontrolling interests		250	316
Total equity		**68,099**	**64,819**
Total liabilities and equity		**1,474,732**	**1,590,546**

The accompanying notes are an integral part of the Consolidated Financial Statements.

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Consolidated Statement of Changes in Equity

in m.	Common shares (no par value)	Additional paid-in capital	Retained earnings	Common shares in treasury, at cost	Equity classified as obligation to purchase common shares	Unrealized net gains (losses) on financial assets available for sale, net of applicable tax and other[2]
Balance as of December 31, 2014	**3,531**	**33,626**	**29,279**	**(8)**	**0**	**1,675**
Total comprehensive income, net of tax[1]	0	0	(6,794)	0	0	(291)
Common shares issued	0	0	0	0	0	0
Cash dividends paid	0	0	(1,034)	0	0	0
Coupon on additional equity components, net of tax	0	0	(228)	0	0	0
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	(10)	0	0	0
Net change in share awards in the reporting period	0	(80)	0	0	0	0
Treasury shares distributed under share-based compensation plans	0	0	0	880	0	0
Tax benefits related to share-based compensation plans	0	0	0	0	0	0
Additions to Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Deductions from Equity classified as obligation to purchase common shares	0	0	0	0	0	0

Option premiums and other effects from options on common shares	0	(34)	0	0	0	0
Purchases of treasury shares	0	0	0	(9,177)	0	0
Sale of treasury shares	0	0	0	8,295	0	0
Net gains (losses) on treasury shares sold	0	(3)	0	0	0	0
Other	0	63	(31)	0	0	0
Balance as of December 31, 2015	**3,531**	**33,572**	**21,182**	**(10)**	**0**	**1,384**
Total comprehensive income, net of tax[1]	0	0	(1,402)	0	0	(472)
Common shares issued	0	0	0	0	0	0
Cash dividends paid	0	0	0	0	0	0
Coupon on additional equity components, net of tax	0	0	(276)	0	0	0
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	(517)	0	0	0
Net change in share awards in the reporting period	0	64	0	0	0	0
Treasury shares distributed under share-based compensation plans	0	0	0	239	0	0
Tax benefits related to share-based compensation plans	0	2	0	0	0	0
Additions to Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Deductions from Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Option premiums and other effects from options on common shares	0	(129)	0	0	0	0
Purchases of treasury shares	0	0	0	(5,264)	0	0
Sale of treasury shares	0	0	0	5,035	0	0
Net gains (losses) on treasury shares sold	0	(7)	0	0	0	0
Other	0	263	0	0	0	0
Balance as of December 31, 2016	**3,531**	**33,765**	**18,987**	**0**	**0**	**912**
Total comprehensive income, net of tax[1]	0	0	(751)	0	0	(223)
Common shares issued	1,760	6,277	0	0	0	0
Cash dividends paid	0	0	(392)	0	0	0
	0	0	(298)	0	0	0

Coupon on additional equity components, net of tax						
Remeasurement gains (losses) related to defined benefit plans, net of tax	0	0	(91)	0	0	0
Net change in share awards in the reporting period	0	(51)	0	0	0	0
Treasury shares distributed under share-based compensation plans	0	0	0	424	0	0
Tax benefits related to share-based compensation plans	0	3	0	0	0	0
Additions to Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Deductions from Equity classified as obligation to purchase common shares	0	0	0	0	0	0
Option premiums and other effects from options on common shares	0	(104)	0	0	0	0
Purchases of treasury shares	0	0	0	(7,912)	0	0
Sale of treasury shares	0	0	0	7,479	0	0
Net gains (losses) on treasury shares sold	0	6	0	0	0	0
Other	0	22	0	0	0	0
Balance as of December 31, 2017	**5,291**	**39,918**	**17,454**	**(9)**	**0**	**689**

[1] Excluding remeasurement gains (losses) related to defined benefit plans, net of tax.
[2] Excluding unrealized net gains (losses) from equity method investments.

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Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax [2]	Unrealized net gains (losses) on assets classified as held for sale, net of tax [2]	Foreign currency translation, net of tax [2]	Unrealized net gains (losses) from equity method investments	Accumulated other comprehensive income, net of tax [1]	Total shareholders equity	Additional equity components [3]	Noncontrolling interests	Total equity
79	**0**	**151**	**18**	**1,923**	**68,351**	**4,619**	**253**	**73,223**
18	662	2,044	48	2,481	(4,313)	0	45	(4,269)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	(1,034)	0	(10)	(1,044)
0	0	0	0	0	(228)	0	0	(228)
0	0	0	0	0	(10)	0	0	(10)
0	0	0	0	0	(80)	0	0	(80)
0	0	0	0	0	880	0	0	880
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	(34)	0	0	(34)
0	0	0	0	0	(9,177)	0	0	(9,177)
0	0	0	0	0	8,295	0	0	8,295
0	0	0	0	0	(3)	0	0	(3)

0	0	0	0	0	33	56[4]	(17)	72
97	**662**	**2,196**	**66**	**4,404**	**62,678**	**4,675**	**270**	**67,624**
46	(662)	223	11	(854)	(2,256)	0	52	(2,204)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	(11)	(11)
0	0	0	0	0	(276)	0	0	(276)
0	0	0	0	0	(517)	0	0	(517)
0	0	0	0	0	64	0	0	64
0	0	0	0	0	239	0	0	239
0	0	0	0	0	2	0	0	2
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	(129)	0	0	(129)
0	0	0	0	0	(5,264)	0	0	(5,264)
0	0	0	0	0	5,035	0	0	5,035
0	0	0	0	0	(7)	0	0	(7)
0	0	0	0	0	263	(6)[4]	4	262
143	**0**	**2,418**	**77**	**3,550**	**59,833**	**4,669**	**316**	**64,819**
(125)	0	(2,646)	(36)	(3,030)	(3,781)	0	(20)	(3,800)
0	0	0	0	0	8,037	0	0	8,037
0	0	0	0	0	(392)	0	(11)	(403)
0	0	0	0	0	(298)	0	0	(298)
0	0	0	0	0	(91)	0	0	(91)
0	0	0	0	0	(51)	0	0	(51)
0	0	0	0	0	424	0	0	424
0	0	0	0	0	3	0	0	3
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	(104)	0	0	(104)
0	0	0	0	0	(7,912)	0	0	(7,912)

0	0	0	0	0	7,479	0	0	7,479
0	0	0	0	0	6	0	0	6
0	0	0	0	0	22	6[4]	(36)	(9)
18	**0**	**(227)**	**40**	**520**	**63,174**	**4,675**	**250**	**68,099**

[3] Includes Additional Tier 1 Notes, which constitute unsecured and subordinated notes of Deutsche Bank and are classified as equity in accordance with IFRS.
[4] Includes net proceeds from purchase and sale of Additional Equity Components.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

in m.	2017	2016	2015
Net Income (loss)	**(735)**	**(1,356)**	**(6,772)**
Cash flows from operating activities:			
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Provision for credit losses	525	1,383	956
Restructuring activities	447	484	710
Gain on sale of financial assets available for sale, equity method investments, and other	(575)	(899)	(430)
Deferred income taxes, net	1,234	(312)	(987)
Impairment, depreciation and other amortization, and accretion	2,159	3,745	8,908
Share of net income from equity method investments	(141)	(183)	(708)
Income (loss) adjusted for noncash charges, credits and other items	**2,914**	**2,862**	**1,677**
Adjustments for net change in operating assets and liabilities:			
Interest-earning time deposits with central banks and banks	966	(2,814)	30,096
Central bank funds sold, securities purchased under resale agreements, securities borrowed	8,560	19,440	(10,108)
Financial assets designated at fair value through profit or loss	(6,721)	20,337	12,935
Loans	2,759	18,190	(14,015)
Other assets	21,970	(7,847)	26,756
Deposits	34,601	(15,237)	26,537
Financial liabilities designated at fair value through profit or loss and investment contract liabilities	5,461	8,686	6,101
Central bank funds purchased, securities sold under repurchase agreements, securities loaned	(3,355)	16,362	(1,120)
Other short-term borrowings	1,148	(10,632)	(16,149)
Other liabilities	(23,107)	(12,888)	(14,177)
Senior long-term debt	(12,728)	12,328	13,536
Trading assets and liabilities, positive and negative market values from derivative financial instruments, net	1,596	30,341	13,788
Other, net	5,512	(8,518)	(8,605)
Net cash provided by (used in) operating activities	**39,576**	**70,610**	**67,252**
Cash flows from investing activities:			
Proceeds from:			
Sale of financial assets available for sale	10,657	26,855	18,027
Maturities of financial assets available for sale	6,798	6,029	3,986
Maturities of securities held to maturity	0	0	0
Sale of equity method investments	80	50	165
Sale of property and equipment	113	206	272
Purchase of:			
Financial assets available for sale	(13,472)	(21,639)	(29,665)
Securities held to maturity	0	0	0
Equity method investments	(12)	(81)	(95)
Property and equipment	(485)	(725)	(432)
Net cash received in (paid for) business combinations/divestitures	82	2,023	555
Other, net	(1,328)	(1,479)	(1,055)

Net cash provided by (used in) investing activities	**2,433**	**11,239**	**(8,242)**
Cash flows from financing activities:			
Issuances of subordinated long-term debt	881[2]	815	2,942
Repayments and extinguishments of subordinated long-term debt	(176)[2]	(1,102)	(2,043)
Issuances of trust preferred securities	266[3]	121	788
Repayments and extinguishments of trust preferred securities	(666)[3]	(840)	(5,114)
Common shares issued	8,037	0	0
Purchases of treasury shares	(7,912)	(5,264)	(9,177)
Sale of treasury shares	7,471	4,983	8,316
Additional Equity Components (AT1) issued	0	0	0
Purchases of Additional Equity Components (AT1)	(205)	(207)	(407)
Sale of Additional Equity Components (AT1)	217	202	442
Coupon on additional equity components, pre tax	(335)	(333)	(269)
Dividends paid to noncontrolling interests	(11)	(11)	(10)
Net change in noncontrolling interests	(37)	(13)	(17)
Cash dividends paid to Deutsche Bank shareholders	(392)	0	(1,034)
Net cash provided by (used in) financing activities	**7,138**	**(1,649)**	**(5,583)**

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in m.	2017	2016	2015
Net effect of exchange rate changes on cash and cash equivalents	**(5,772)**	**(28)**	**94**
Net increase (decrease) in cash and cash equivalents	43,376	80,172	53,521
Cash and cash equivalents at beginning of period	185,649	105,478	51,960
Cash and cash equivalents at end of period	229,025	185,649	105,478
Net cash provided by (used in) operating activities include			
Income taxes paid (received), net	689	1,572	902
Interest paid	11,784	10,808	10,608
Interest received	21,095	22,579	21,749
Dividends received	3,006	3,256	4,428
Cash and cash equivalents comprise			
Cash and central bank balances (not included: Interest-earning time deposits with central banks)	222,451	178,105[1]	94,923
Interbank balances (w/o central banks) (not included: time deposits with banks of 5,896 m. as of December 31, 2017, 7,079 m. as of December 31, 2016 and 4,304 m as of December 31, 2015)	6,574	7,544[1]	10,555
Total	**229,025**	**185,649[1]**	**105,478**

[1] Prior year number restated.
[2] Non-cash changes for Subordinated Long Term Debt are (367) million in total and driven by FX movements of (372) million.
[3] Non-cash changes for Trust Preferred Securities are (481) million in total and driven by FX movements of (444) million and FV changes of (51) million.

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

01

Significant Accounting Policies and Critical Accounting Estimates

Basis of Accounting

Deutsche Bank Aktiengesellschaft (Deutsche Bank or the Parent) is a stock corporation organized under the laws of the Federal Republic of Germany. Deutsche Bank together with all entities in which Deutsche Bank has a controlling financial interest (the Group) is a global provider of a full range of corporate and investment banking, private clients and asset management products and services.

The accompanying consolidated financial statements are stated in euros, the presentation currency of the Group. All financial information presented in million euros has been rounded to the nearest million. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU). The Group s application of IFRS results in no differences between IFRS as issued by the IASB and IFRS as endorsed by the EU.

Some IFRS disclosures incorporated in the Management Report are an integral part of the Consolidated Financial Statements. These disclosures include Segmental Results of Operations and Entity Wide disclosures on Net Revenue Components under IFRS 8, Operating Segments provided in the Operating and Financial Review of the Management Report. Additionally the Risk Report includes disclosures about the nature and the extent of risks arising from financial instruments as required by IFRS 7, Financial Instruments: Disclosures and capital disclosures as required under IAS 1, Presentation of Financial Statements . These audited disclosures are identified by bracketing in the margins of the Management Report. In addition, with respect to the table entitled Transitional template for regulatory capital, RWA and capital ratios set forth in the Risk Report within the section Risk and Capital Performance: Capital and Leverage Ratio: Development of regulatory capital , the columns captioned CRR/CRD 4 for each of December 31, 2017 and December 31, 2016 (but not the columns captioned CRR/CRD 4 fully loaded) are also an integral part of the Consolidated Financial Statements, notwithstanding that they are not identified by bracketing in the margins. These disclosures are also audited.

Discount Rate for Defined Benefit Pension Plans

In 2017 the Group moved to a more standardized, simpler approach to set its discount rate used to value its defined benefit plans in the Eurozone; similar approaches are generally accepted and are already used for the Group s other major pension plans in the United Kingdom and the United States. The refinement resulted in no change in the discount rate and so no effect on the Group s Consolidated Statement of Comprehensive Income in 2017.

Adjustment of Impairment Methodology for Shipping Loans

In the third quarter of 2017, the Group adjusted the parameters for shipping loans being assessed for impairment under a going concern or gone concern scenario. This change in parameters resulted in an increase in the estimated impairment charge of 70 million. The Group also revised its general haircut applied to shipping loans with gone concern exposures, which also resulted in an increase in the estimated impairment charge of an additional 36 million. These changes in estimates are reflected in the allowance for credit losses.

Critical Accounting Estimates

The preparation of financial statements under IFRS requires management to make estimates and assumptions for certain categories of assets and liabilities. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management s estimates. The Group s significant accounting policies are described in Significant Accounting Policies .

Certain of the Group s accounting policies require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and may have a material impact on the Group s financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. The Group has identified the following significant accounting policies that involve critical accounting estimates:

- the impairment of associates (see Associates below)
- the impairment of financial assets available for sale (see Financial Assets and Liabilities Financial Assets Classified as Available for Sale below)
- the determination of fair value (see Financial Assets and Liabilities Determination of Fair Value below)
- the recognition of trade date profit (see Financial Assets and Liabilities Recognition of Trade Date Profit below)
- the impairment of loans and provisions for off-balance sheet positions (see Impairment of Loans and Provision for Off-balance Sheet Positions below)
- the impairment of goodwill and other intangibles (see Goodwill and Other Intangible Assets below)
- the recognition and measurement of deferred tax assets (see Income Taxes below)
- the accounting for legal and regulatory contingencies and uncertain tax positions (see Provisions below)

Significant Accounting Policies

The following is a description of the significant accounting policies of the Group. Other than as previously described, these policies have been consistently applied for 2015, 2016 and 2017.

Principles of Consolidation

The financial information in the Consolidated Financial Statements includes the parent company, Deutsche Bank AG, together with its consolidated subsidiaries, including certain structured entities presented as a single economic unit.

Subsidiaries

The Group s subsidiaries are those entities which it directly or indirectly controls. Control over an entity is evidenced by the Group s ability to exercise its power in order to affect any variable returns that the Group is exposed to through its involvement with the entity.

The Group sponsors the formation of structured entities and interacts with structured entities sponsored by third parties for a variety of reasons, including allowing clients to hold investments in separate legal entities, allowing clients to invest jointly in alternative assets, for asset securitization transactions, and for buying or selling credit protection.

When assessing whether to consolidate an entity, the Group evaluates a range of control factors, namely:

- the purpose and design of the entity
- the relevant activities and how these are determined

- whether the Group s rights result in the ability to direct the relevant activities
- whether the Group has exposure or rights to variable returns
- whether the Group has the ability to use its power to affect the amount of its returns

Where voting rights are relevant, the Group is deemed to have control where it holds, directly or indirectly, more than half of the voting rights over an entity unless there is evidence that another investor has the practical ability to unilaterally direct the relevant activities.

Potential voting rights that are deemed to be substantive are also considered when assessing control.

Likewise, the Group also assesses existence of control where it does not control the majority of the voting power but has the practical ability to unilaterally direct the relevant activities. This may arise in circumstances where the size and dispersion of holdings of the shareholders give the Group the power to direct the activities of the investee.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The Group reassesses the consolidation status at least at every quarterly reporting date. Therefore, any changes in the structure leading to a change in one or more of the control factors, require reassessment when they occur. This includes changes in decision making rights, changes in contractual arrangements, changes in the financing, ownership or capital structure as well as changes following a trigger event which was anticipated in the original documentation.

All intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated on consolidation.

Consistent accounting policies are applied throughout the Group for the purposes of consolidation. Issuances of a subsidiary s stock to third parties are treated as noncontrolling interests. Profit or loss attributable to noncontrolling interests are reported separately in the Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.

At the date that control of a subsidiary is lost, the Group a) derecognizes the assets (including attributable goodwill) and liabilities of the subsidiary at their carrying amounts, b) derecognizes the carrying amount of any noncontrolling interests in the former subsidiary, c) recognizes the fair value of the consideration received and any distribution of the shares of the subsidiary, d) recognizes any investment retained in the former subsidiary at its fair value and e) recognizes any resulting difference of the above items as a gain or loss in the income statement. Any amounts recognized in prior periods in other comprehensive income in relation to that subsidiary would be reclassified to the Consolidated Statement of Income or transferred directly to retained earnings if required by other IFRS Standards.

Associates

An associate is an entity in which the Group has significant influence, but not a controlling interest, over the operating and financial management policy decisions of the entity. Significant influence is generally presumed when the Group holds between 20 % and 50 % of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Group has significant influence. Among the other factors that are considered in determining whether the Group has significant influence are representation on the board of directors (supervisory board in the case of German stock corporations) and material intercompany transactions. The existence of these factors could require the application of the equity method of accounting for a particular investment even though the Group s investment is less than 20 % of the voting stock.

Investments in associates are accounted for under the equity method of accounting. The Group s share of the results of associates is adjusted to conform to the accounting policies of the Group and is reported in the Consolidated Statement of Income as Net income (loss) from equity method investments. The Group s share in the associate s profits and losses resulting from intercompany sales is eliminated on consolidation.

If the Group previously held an equity interest in an entity (for example, as available for sale) and subsequently gained significant influence, the previously held equity interest is remeasured to fair value and any gain or loss is recognized in the Consolidated Statement of Income. Any amounts previously recognized in other comprehensive income associated with the equity interest would be reclassified to the Consolidated Statement of Income at the date the Group gains significant influence, as if the Group had disposed of the previously held equity interest.

Under the equity method of accounting, the Group s investments in associates and jointly controlled entities are initially recorded at cost including any directly related transaction costs incurred in acquiring the associate, and subsequently increased (or decreased) to reflect both the Group s pro-rata share of the post-acquisition net income (or loss) of the associate or jointly controlled entity and other movements included directly in the equity of the associate or jointly controlled entity. Goodwill arising on the acquisition of an associate or a jointly controlled entity is included in the carrying value of the investment (net of any accumulated impairment loss). As goodwill is not reported separately it is not specifically tested for impairment. Rather, the entire equity method investment is tested for impairment at each balance sheet date.

If there is objective evidence of impairment, an impair¬ment test is performed by comparing the investment s recoverable amount, which is the higher of its value in use and fair value less costs to sell, with its carrying amount. An impairment loss recognized in prior periods is only reversed if there has been a change in the estimates used to determine the in-vestment s recoverable amount since the last impairment loss was recognized. If this is the case the carrying amount of the investment is increased to its higher recoverable amount. The increased carrying amount of the investment in associ-ate attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

At the date that the Group ceases to have significant influence over the associate or jointly controlled entity the Group recognizes a gain or loss on the disposal of the equity method investment equal to the difference between the sum of the fair value of any retained investment and the proceeds from disposing of the associate and the carrying amount of the investment. Amounts recognized in prior periods in other comprehensive income in relation to the associate are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

Critical Accounting Estimates: As the assessment of whether there is objective evidence of impairment may require significant management judgment and the estimates for impairment could change from period to period based on future events that may or may not occur, the Group considers this to be a critical accounting estimate.

Foreign Currency Translation

The Consolidated Financial Statements are prepared in euro, which is the presentation currency of the Group. Various entities in the Group use a different functional currency, being the currency of the primary economic environment in which the entity operates.

An entity records foreign currency revenues, expenses, gains and losses in its functional currency using the exchange rates prevailing at the dates of recognition.

Monetary assets and liabilities denominated in currencies other than the entity s functional currency are translated at the period end closing rate. Foreign exchange gains and losses resulting from the translation and settlement of these items are recognized in the Consolidated Statement of Income as net gains (losses) on financial assets/liabilities at fair value through profit or loss in order to align the translation amounts with those recognized from foreign currency related transactions (derivatives) which hedge these monetary assets and liabilities.

Nonmonetary items that are measured at historical cost are translated using the historical exchange rate at the date of the transaction. Translation differences on nonmonetary items which are held at fair value through profit or loss are recognized in profit or loss. Translation differences on available for sale nonmonetary items (equity securities) are included in other comprehensive income and recognized in the Consolidated Statement of Income when the non-monetary item is sold as part of the overall gain or loss on sale of the item.

For purposes of translation into the presentation currency, assets and liabilities of foreign operations are translated at the period end closing rate and items of income and expense are translated into euros at the rates prevailing on the dates of the transactions, or average rates of exchange where these approximate actual rates. The exchange differences arising on the translation of a foreign operation are included in other comprehensive income. For foreign operations that are subsidiaries, the amount of exchange differences attributable to any noncontrolling interests is recognized in noncontrolling interests.

Upon disposal of a foreign subsidiary and associate (which results in loss of control or significant influence over that operation) the total cumulative exchange differences recognized in other comprehensive income are reclassified to profit or loss.

Upon partial disposal of a foreign operation that is a subsidiary and which does not result in loss of control, the proportionate share of cumulative exchange differences is reclassified from other comprehensive income to noncontrolling interests as this is deemed a transaction with equity holders. For a partial disposal of an associate which does not result in a loss of significant influence, the proportionate share of cumulative exchange differences is reclassified from other comprehensive income to profit or loss.

Interest, Commissions and Fees

Revenue is recognized when the amount of revenue and associated costs can be reliably measured, it is probable that economic benefits associated with the transaction will be realized and the stage of completion of the transaction can be reliably measured. This concept is applied to the key revenue generating activities of the Group as follows.

Net Interest Income Interest from all interest-bearing assets and liabilities is recognized as net interest income using the effective interest method. The effective interest rate is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period using the estimated future cash flows. The estimated future cash flows used in this calculation include those determined by the contractual terms of the asset or liability, all fees that are considered to be integral to the effective interest rate, direct and incremental transaction costs and all other premiums or discounts.

Once an impairment loss has been recognized on a loan, held-to-maturity investment or available for sale debt instruments, although the accrual of interest in accordance with the contractual terms of the instrument is discontinued, interest income is recognized based on the rate of interest that was used to discount future cash flows for the purpose of measuring the impairment loss. For a loan and held to maturity investment this would be the original effective interest rate, but a new effective interest rate would be established each time an available for sale debt instrument is impaired as impairment is measured to fair value and would be based on a current market rate.

The Group recognises income from government grants which are associated to interest-bearing assets and liabilities in net interest income when there is reasonable assurance that it will receive the grants and will comply with the conditions attached to the grants.

Commissions and Fee Income The recognition of fee revenue (including commissions) is determined by the purpose of the fees and the basis of accounting for any associated financial instruments. If there is an associated financial instrument, fees that are an integral part of the effective interest rate of that financial instrument are included within the effective yield calculation. However, if the financial instrument is carried at fair value through profit or loss, any associated fees are recognized in profit or loss when the instrument is initially recognized, provided there are no significant unobservable inputs used in determining its fair value. Fees earned from services that are provided over a specified service period are recognized over that service period. Fees earned for the completion of a specific service or significant event are recognized when the service has been completed or the event has occurred.

Loan commitment fees related to commitments that are accounted off-balance sheet are recognized in commissions and fee income over the life of the commitment if it is unlikely that the Group will enter into a specific lending arrangement. If it is probable that the Group will enter into a specific lending arrangement, the loan commitment fee is deferred until the origination of a loan and recognized as an adjustment to the loan s effective interest rate.

Performance-linked fees or fee components are recognized when the performance criteria are fulfilled.

The following fee income is predominantly earned from services that are provided over a period of time: investment fund management fees, fiduciary fees, custodian fees, portfolio and other management and advisory fees, credit-related fees and commission income. Fees predominantly earned from providing transaction-type services include underwriting fees, corporate finance fees and brokerage fees.

Expenses that are directly related and incremental to the generation of fee income are presented net in Commissions and Fee Income.

Arrangements involving multiple services or products If the Group contracts to provide multiple products, services or rights to a counterparty, an evaluation is made as to whether an overall fee should be allocated to the different components of the arrangement for revenue recognition purposes. The assessment considers the value of items or services delivered to ensure that the Group s continuing involvement in other aspects of the arrangement are not essential to the items delivered. It also assesses the value of items not yet delivered and, if there is a right of return on delivered items, the probability of future delivery of remaining items or services. If it is determined that it is appropriate to look at the arrangements as separate components, the amounts received are allocated based on the relative value of each component.

If there is no objective and reliable evidence of the value of the delivered item or an individual item is required to be recognized at fair value then the residual method is used. The residual method calculates the amount to be recognized for the delivered component as being the amount remaining after allocating an appropriate amount of revenue to all other components.

Financial Assets and Liabilities

The Group classifies its financial assets and liabilities into the following categories: financial assets and liabilities at fair value through profit or loss, loans, held-to-maturity, financial assets available for sale (AFS) and other financial liabilities. Appropriate classification of financial assets

and liabilities is determined at the time of initial recognition or when reclassified in the Consolidated Balance Sheet.

Financial assets and financial liabilities classified at fair value through profit or loss and financial assets classified as AFS are recognized or derecognized on trade date if a regular way period for the instrument exist. Trade date is the date on which the Group commits to purchase or sell the asset or issue or repurchase the financial liability. Financial instruments measured at amortised cost are recognised on a settlement date basis.

Financial Assets and Liabilities at Fair Value through Profit or Loss

The Group classifies certain financial assets and financial liabilities as either held for trading or designated at fair value through profit or loss. They are carried at fair value and presented as financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss, respectively. Related realized and unrealized gains and losses are included in net gains (losses) on financial assets/liabilities at fair value through profit or loss. Interest on interest earning assets such as trading loans and debt securities and dividends on equity instruments are presented in interest and similar income for financial instruments at fair value through profit or loss.

Trading Assets and Liabilities Financial instruments are classified as held for trading if they have been originated, acquired or incurred principally for the purpose of selling or repurchasing them in the near term, or they form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Trading assets include debt and equity securities, derivatives held for trading purposes, commodities and trading loans. Trading liabilities consist primarily of derivative liabilities and short positions.

Financial Instruments Designated at Fair Value through Profit or Loss Certain financial assets and liabilities that do not meet the definition of trading assets and liabilities are designated at fair value through profit or loss using the fair value option. To be designated at fair value through profit or loss, financial assets and liabilities must meet one of the following criteria: (1) the designation eliminates or significantly reduces a measurement or recognition inconsistency; (2) a group of financial assets or liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy; or (3) the instrument contains one or more embedded derivatives unless: (a) the embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or (b) it is clear with little or no analysis that separation is prohibited. In addition, the Group allows the fair value option to be designated only for those financial instruments for which a reliable estimate of fair value can be obtained. Financial assets and liabilities which are designated at fair value through profit or loss, under the fair value option, include repurchase and reverse repurchase agreements, certain loans and loan commitments, debt and equity securities and structured note liabilities.

Non-Participating Investment Contracts (Investment Contracts) All of the Group s investment contracts are unit-linked and do not contain significant insurance risk or discretionary participation features. The contract liabilities are determined using current unit prices multiplied by the number of units attributed to the contract holders as of the balance sheet date. As this amount represents fair value, the liabilities have been classified as financial liabilities at fair value through profit or loss. Deposits collected under investment contracts are accounted for as an adjustment to the investment contract liabilities. Investment income attributable to investment contracts is included in the Consolidated Statement of Income. Investment contract claims reflect the excess of amounts paid over the account balance released. Investment contract policyholders are charged fees for policy administration, investment management, surrenders or other contract services.

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, held-to-maturity or financial assets AFS. An active market exists when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm s length basis.

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.

Loans which have been acquired as either part of a business combination or as an asset purchase are initially recognized at fair value at the acquisition date. This includes loans for which an impairment loss had been established by the acquiree before their initial recognition by the Group. The fair value at the acquisition date incorporates expected cash flows which consider the credit quality of these loans including any incurred losses and becomes the new amortized cost base. Interest income is recognized using the effective interest method. Subsequent to the acquisition date the Group assesses whether there is objective evidence of impairment in line with the policies described in the section entitled Impairment of Loans and Provision for Off-

Balance Sheet Positions . If the loans are determined to be impaired then a loan loss allowance is recognized with a corresponding charge to the provision for credit losses line in the Consolidated Statement of Income. Releases of such loan loss allowances established after their initial recognition are included in the provision for credit losses line. Subsequent improvements in the credit quality of such loans for which no loss allowance had been recorded are recognized immediately through an adjustment to the current carrying value and a corresponding gain is recognized in interest income.

Financial Instruments Held-to-Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Group has the positive intention and ability to hold to maturity and which are not classified as financial assets at fair value through profit or loss, loans or financial assets AFS.

Held-to-maturity investments are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Subsequent to the acquisition date, the Group assesses whether there is objective evidence of impairment in line with the policies described in the section entitled Impairment of Loans and Provision for Off-Balance Sheet provisions . If a held-to-maturity investment is considered impaired, then an impairment loss is recognized in the Consolidated Statement of Income.

Financial Assets Classified as Available for Sale

Financial assets that are classified as AFS are 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 in the Consolidated Statement of Income and other 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 fair value gain or loss is recognized in other comprehensive income, which also includes any related foreign exchange component.

Equity investments classified as AFS are assessed for impairment if objective evidence demonstrates 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.

If there is evidence of impairment, any amounts previously recognized in other comprehensive income are recognized in the Consolidated Statement of Income for the period, reported in net gains (losses) on financial assets available for sale. This impairment loss for the period is determined as the difference between the acquisition cost (net of any principal repayments and amortization) and current fair value of the asset less any impairment loss on that investment previously recognized in the Consolidated Statement of Income.

When an AFS debt security is impaired, any subsequent decreases in fair value are recognized in the Consolidated Statement of Income as it is considered further impairment. Any subsequent increases are also recognized in the Consolidated Statement of Income until the asset is no longer considered impaired. When the fair value of the AFS debt security recovers to at least amortized cost it is no longer considered impaired and subsequent changes in fair value are reported in other comprehensive income.

Reversals of impairment losses on equity investments classified as AFS are not reversed through the Consolidated Statement of Income; increases in their fair value after impairment are recognized in other comprehensive income.

Realized gains and losses are reported in net gains (losses) on financial assets available for sale. Generally, the weighted-average cost method is used to determine the cost of financial assets. Unrealized gains and losses recorded in other comprehensive income are transferred to the Consolidated Statement of Income on disposal of an available for sale asset and reported in net gains (losses) on financial assets available for sale.

Critical Accounting Estimates Because the assessment of objective evidence of impairment require significant management judgment and the estimate of impairment could change from period to period based upon future events that may or may not occur, the Group considers the impairment of Financial Assets classified as Available for Sale to be a critical accounting estimate. For additional information see Note 7 Net Gains (Losses) on Financial Assets Available for Sale .

Financial Liabilities

Except for financial liabilities at fair value through profit or loss, financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities include long-term and short-term debt issued which are initially measured at fair value, which is the consideration received, net of transaction costs incurred. Repurchases of issued debt in the market are treated as extinguishments and any related gain or loss is recorded in the Consolidated Statement of Income. A subsequent sale of own bonds in the market is treated as a reissuance of debt.

Reclassification of Financial Assets

The Group may reclassify certain financial assets out of the financial assets at fair value through profit or loss classification (trading assets) and the AFS classification into the loans or held-to-maturity classification. For assets to be reclassified there must be a clear change in management intent with respect to the assets since initial recognition and the financial asset must meet the definition of a loan or held-to-maturity investment at the reclassification date. Additionally, there must be an intent and ability to hold the asset for the foreseeable future at the reclassification date. For held-to-maturity investments there must be a positive intention and ability to hold the asset until maturity.

Financial assets are reclassified at their fair value at the reclassification date. Any gain or loss already recognized in the Consolidated Statement of Income is not reversed. The fair value of the instrument at reclassification date becomes the new amortized cost of the instrument. The expected cash flows on the financial instruments are estimated at the reclassification date and these estimates are used to calculate a new effective interest rate for the instruments. If there is a subsequent increase in expected future cash flows on reclassified assets as a result of increased recoverability, the effect of that increase is recognized as an adjustment to the effective interest rate from the date of the change in estimate rather than as an adjustment to the carrying amount of the asset at the date of the change in estimate. If there is a subsequent decrease in expected future cash flows the asset would be assessed for impairment as discussed in the section entitled Impairment of Loans and Provision for Off-Balance Sheet Positions . Any changes in the timing of the cash flows of reclassified assets which are not deemed impaired are recorded as an adjustment to the carrying amount of the asset.

For instruments reclassified from AFS to loans or held-to-maturity, any unrealized gain or loss recognized in other comprehensive income is subsequently amortized into interest income using the effective interest rate of the instrument. If the instrument is subsequently impaired, any unrealized loss which is held in accumulated other comprehensive income for that instrument at that date is immediately recognized in the Consolidated Statement of Income.

To the extent that assets categorized as loans are repaid, restructured or eventually sold and the amount received is less than the carrying value at that time, then a loss would be recognized in the Consolidated Statement of Income as a component of the provision for credit losses, if the loan is impaired, or otherwise in other Income, if the loan is not impaired.

Offsetting of Financial Instruments

Financial assets and liabilities are offset, with the net amount presented in the Consolidated Balance Sheet, only if the Group holds a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis or to realize an asset and settle the liability simultaneously. The legal right to set off the recognized amounts must be enforceable in both the normal course of business and in the event of default, insolvency or bankruptcy of both the Group and its counterparty. In all other situations they are presented gross. When financial assets and financial liabilities are offset in the Consolidated Balance Sheet, the associated income and expense items will also be offset in the Consolidated Statement of Income, unless specifically prohibited by an applicable accounting standard.

The majority of the offsetting applied by the Group relates to derivatives and repurchase and reverse repurchase agreements. A significant portion of offsetting is applied to interest rate derivatives and related cash margin balances, which are cleared through central clearing parties such as the London Clearing House. The Group also offsets repurchase and reverse repurchase agreements for which the Group has the right to set off and has the intent to settle on a net basis or to realize an asset and settle a liability simultaneously. For further information please refer to Note 18 Offsetting Financial Assets and Financial Liabilities .

Determination of Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an arm s length transaction between market participants at the measurement date. The fair value of instruments that are quoted in active markets is determined using the quoted prices where they represent those at which regularly and recently occurring transactions take place. The Group measures certain portfolios of financial assets and financial liabilities on the basis of their net risk exposures when the following criteria are met:

- The group of financial assets and liabilities is managed on the basis of its net exposure to a particular market risk (or risks) or to the credit risk of a particular counterparty, in accordance with a documented risk management strategy,
- the fair values are provided to key management personnel, and
- the financial assets and liabilities are measured at fair value through profit or loss.

This portfolio valuation approach is consistent with how the Group manages its net exposures to market and counterparty credit risks.

Critical Accounting Estimates The Group uses valuation techniques to establish the fair value of instruments where prices quoted in active markets are not available. Therefore, where possible, parameter inputs to the valuation techniques are based on observable data derived from prices of relevant instruments traded in an active market. These valuation techniques involve some level of management estimation and judgment, the degree of which will depend on the price transparency for the instrument or market and the instrument s complexity.

In reaching estimates of fair value management judgment needs to be exercised. The areas requiring significant management judgment are identified, documented and reported to senior management as part of the valuation control process and the standard monthly reporting cycle. The specialist model validation and valuation control groups focus attention on the areas of subjectivity and judgment.

The level of management judgment required in establishing fair value of financial instruments for which there is a quoted price in an active market is usually minimal. Similarly there is little subjectivity or judgment required for instruments valued using valuation models which are standard across the industry and where all parameter inputs are quoted in active markets.

The level of subjectivity and degree of management judgment required is more significant for those instruments valued using specialized and sophisticated models and where some or all of the parameter inputs are less liquid or less observable. Management judgment is required in the selection and application of appropriate parameters, assumptions and modelling techniques. In particular, where data are obtained from infrequent market transactions then extrapolation and interpolation techniques must be applied. Where no market data are available for a particular instrument then pricing inputs are determined by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions, and making appropriate adjustment to reflect the actual instrument being valued and current market conditions. Where different valuation techniques indicate a range of possible fair values for an instrument then management has to decide what point within the range of estimates appropriately represents the fair value. Further, some valuation adjustments may require the exercise of management judgment to achieve fair value.

Under IFRS, the financial assets and liabilities carried at fair value are required to be disclosed according to the inputs to the valuation method that are used to determine their fair value. Specifically, segmentation is required between those valued using quoted market prices in an active market (level 1), valuation techniques based on observable parameters (level 2) and valuation techniques using significant unobservable parameters (level 3). Management judgment is required in determining the category to which certain instruments should be allocated. This specifically arises when the valuation is determined by a number of parameters, some of which are observable and others are not. Further, the classification of an instrument can change over time to reflect changes in market liquidity and therefore price transparency.

The Group provides a sensitivity analysis of the impact upon the level 3 financial instruments of using a reasonably possible alternative for the unobservable parameter. The determination of reasonably possible alternatives requires significant management judgment.

For financial instruments measured at amortized cost (which includes loans, deposits and short and long term debt issued) the Group discloses the fair value. Generally there is limited or no trading activity in these instruments and therefore the fair value determination requires significant management judgment.

For further discussion of the valuation methods and controls and quantitative disclosures with respect to the determination of fair value, please refer to Note 13 Financial Instruments carried at Fair Value and Note 14 Fair Value of Financial Instruments not carried at Fair Value .

Recognition of Trade Date Profit

If there are significant unobservable inputs used in the valuation technique, the financial instrument is recognized at the transaction price and any profit implied from the valuation technique at trade date is deferred.

Using systematic methods, the deferred amount is recognized over the period between trade date and the date when the market is expected to become observable, or over the life of the trade (whichever is shorter). Such methodology is used because it reflects the changing economic and risk profile of the instrument as the market develops or as the instrument itself progresses to maturity. Any remaining trade date deferred profit is recognized in the Consolidated Statement of Income when the transaction becomes observable or the Group enters into off-setting transactions that substantially eliminate the instrument s risk. In the rare circumstances that a trade date loss arises, it would be recognized at inception of the transaction to the extent that it is probable that a loss has been incurred and a reliable estimate of the loss amount can be made.

Critical Accounting Estimates Management judgment is required in determining whether there exist significant unobservable inputs in the valuation technique. Once deferred, the decision to subsequently recognize the trade date profit requires a careful assessment of the then current facts and circumstances supporting observability of parameters and/or risk mitigation.

Derivatives and Hedge Accounting

Derivatives are used to manage exposures to interest rate, foreign currency, credit and other market price risks, including exposures arising from forecast transactions. All freestanding contracts that are considered derivatives for accounting purposes are carried at fair value on the Consolidated Balance Sheet regardless of whether they are held for trading or nontrading purposes.

The changes in fair value on derivatives held for trading are included in net gains (losses) on financial assets/liabilities at fair value through profit or loss.

Embedded Derivatives

Some hybrid contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative, with the non-derivative component representing the host contract. If the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract and the hybrid contract itself is not carried at fair value through profit or loss, the embedded derivative is bifurcated and reported at fair value, with gains and losses recognized in net gains (losses) on financial assets/liabilities at fair value through profit or loss. The host contract will continue to be accounted for in accordance with the appropriate accounting standard. The carrying amount of an embedded derivative is reported in the same Consolidated Balance Sheet line item as the host contract. Certain hybrid instruments have been designated at fair value through profit or loss using the fair value option.

Hedge Accounting

For accounting purposes there are three possible types of hedges: (1) hedges of changes in the fair value of assets, liabilities or unrecognized firm commitments (fair value hedges); (2) hedges of the variability of future cash flows from highly probable forecast transactions and floating rate assets and liabilities (cash flow hedges); and (3) hedges of the translation adjustments resulting from translating the functional currency financial statements of foreign operations into the presentation currency of the parent (hedges of net investments in foreign operations).

When hedge accounting is applied, the Group designates and documents the relationship between the hedging instrument and the hedged item as well as its risk management objective and strategy for undertaking the hedging transactions and the nature of the risk being hedged. This documentation includes a description of how the Group will assess the hedging instrument s effectiveness in offsetting the exposure to changes in the hedged item s fair value or cash flows attributable to the hedged risk. Hedge effectiveness is assessed at inception and throughout the term of each hedging relationship. Hedge effectiveness is always assessed, even when the terms of the derivative and hedged item are matched.

Hedging derivatives are reported as other assets and other liabilities. In the event that a derivative is subsequently de-designated from a hedging relationship, it is transferred to financial assets/liabilities at fair value through profit or loss.

For hedges of changes in fair value, the changes in the fair value of the hedged asset, liability or unrecognized firm commitment, or a portion thereof, attributable to the risk being hedged, are recognized in the Consolidated Statement of Income along with changes in the entire fair value of the derivative. When hedging interest rate risk, any interest accrued or paid on both the derivative and the hedged item is reported in interest income or expense and the unrealized gains and losses from the hedge accounting fair value adjustments are reported in other income. When hedging the foreign exchange risk of an AFS security, the fair value adjustments related to the security s foreign exchange exposures are also recorded in other income. Hedge ineffectiveness is reported in other income and is measured as the net effect of changes in the fair value of the hedging instrument and changes in the fair value of the hedged item arising from changes in the market rate or price related to the risk(s) being hedged.

If a fair value hedge of a debt instrument is discontinued prior to the instrument s maturity because the derivative is terminated or the relationship is de-designated, any remaining interest rate-related fair value adjustments made to the carrying amount of the debt instrument (basis adjustments) are amortized to interest income or expense over the remaining term of the original hedging relationship. For other types of fair value adjustments and whenever a fair value hedged asset or liability is sold or otherwise derecognized, any basis adjustments are included in the calculation of the gain or loss on derecognition.

For hedges of variability in future cash flows, there is no change to the accounting for the hedged item and the derivative is carried at fair value, with changes in value reported initially in other comprehensive income to the extent the hedge is effective. These amounts initially recorded in other comprehensive income are subsequently reclassified into the Consolidated Statement of Income in the same periods during which the forecast transaction affects the Consolidated Statement of Income. Thus, for hedges of interest rate risk, the amounts are amortized into interest income or expense at the same time as the interest is accrued on the hedged transaction.

Hedge ineffectiveness is recorded in other income and is measured as changes in the excess (if any) in the absolute cumulative change in fair value of the actual hedging derivative over the absolute cumulative change in the fair value of the hypothetically perfect hedge.

When hedges of variability in cash flows attributable to interest rate risk are discontinued, amounts remaining in accumulated other comprehensive income are amortized to interest income or expense over the remaining life of the original hedge relationship, unless the hedged transaction is no longer expected to occur in which case the amount will be reclassified into other income immediately. When hedges of variability in cash flows attributable to other risks are discontinued, the related amounts in accumulated other comprehensive income are reclassified into either the same Consolidated Statement of Income caption and period as profit or loss from the forecast transaction, or into other income when the forecast transaction is no longer expected to occur.

For hedges of the translation adjustments resulting from translating the functional currency financial statements of foreign operations (hedges of net investments in foreign operations) into the functional currency of the parent, the portion of the change in fair value of the derivative due to changes in the spot foreign exchange rates is recorded as a foreign currency translation adjustment in other comprehensive income to the extent the hedge is effective; the remainder is recorded as other income in the Consolidated Statement of Income.

Changes in fair value of the hedging instrument relating to the effective portion of the hedge are subsequently recognized in profit or loss on disposal of the foreign operations.

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 in the Consolidated Statement of Income as a component of the provision

for credit losses.

The collective assessment of impairment is to establish an allowance amount relating to loans that are either individually significant but for which there is no objective evidence of impairment, or are not individually significant but for which there is, on a po