DEUTSCHE BANK AKTIENGESELLSCHAFT
Form 20-F
March 11, 2016
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As filed with the Securities and Exchange Commission on March 11, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 20-F

¨ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

or

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

or

¨ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report .

Commission file number 1-15242

Deutsche Bank Aktiengesellschaft

(Exact name of Registrant as specified in its charter)

Deutsche Bank Corporation

(Translation of Registrant s name into English)

Federal Republic of Germany

(Jurisdiction of incorporation or organization)

Taunusanlage 12, 60325 Frankfurt am Main, Germany

(Address of principal executive offices)

Peter Burrill, +49-69-910-31781, peter.burrill@db.com, Taunusanlage 12, 60325 Frankfurt am Main, Germany

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act

See following page

Securities registered or to be registered pursuant to Section 12(g) of the Act.

NONE

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

NONE

(Title of Class)

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report:

Ordinary Shares, no par value	1,378,898,267

(as of December 31, 2015)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ¨ No x

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨ International Financial Reporting Standards x as issued by the International Accounting Standards Board Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow

Item 17 ¨ Item 18 ¨

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ¨ No x

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Securities registered or to be registered pursuant to Section 12(b) of the Act (as of February 29, 2016).

Title of each class	Name of each exchange on which registered
Ordinary shares, no par value	New York Stock Exchange
6.55 % Trust Preferred Securities of Deutsche Bank Contingent Capital Trust II 6.55 % Company Preferred Securities of Deutsche Bank Contingent Capital LLC II* Subordinated Guarantees of Deutsche Bank AG in connection with Capital Securities*	New York Stock Exchange
7.60 % Trust Preferred Securities of Deutsche Bank Contingent Capital Trust III 7.60 % Company Preferred Securities of Deutsche Bank Contingent Capital LLC III* Subordinated Guarantees of Deutsche Bank AG in connection with Capital Securities*	New York Stock Exchange
8.05 % Trust Preferred Securities of Deutsche Bank Contingent Capital Trust V 8.05 % Company Preferred Securities of Deutsche Bank Contingent Capital LLC V* Subordinated Guarantees of Deutsche Bank AG in connection with Capital Securities*	New York Stock Exchange
Fixed to Fixed Reset Rate Subordinated Tier 2 Notes Due 2028	New York Stock Exchange
4.50 % Fixed Rate Subordinated Tier 2 Notes Due 2025	New York Stock Exchange
DB Agriculture Short Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Agriculture Long Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Agriculture Double Short Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Agriculture Double Long Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Base Metals Short Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Base Metals Long Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Base Metals Double Short Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Base Metals Double Long Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Commodity Short Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Commodity Long Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Commodity Double Long Exchange Traded Notes due April 1, 2038	NYSE Arca

DB Commodity Double Short Exchange Traded Notes due April 1, 2038	NYSE Arca
DB Crude Oil Short Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Crude Oil Long Exchange Traded Notes due June 1, 2038	NYSE Arca
DB Crude Oil Double Short Exchange Traded Notes due June 1, 2038	NYSE Arca
DB German Bund Futures Exchange Traded Notes due March 31, 2021	NYSE Arca
DB Gold Double Long Exchange Traded notes due February 15, 2038	NYSE Arca
DB Gold Double Short Exchange Traded notes due February 15, 2038	NYSE Arca
DB Gold Short Exchange Traded notes due February 15, 2038	NYSE Arca
DB Japanese Govt Bond Futures Exchange Traded Notes due March 31, 2021	NYSE Arca
DB Inverse Japanese Govt Bond Futures Exchange Traded Notes due November 30, 2021	NYSE Arca
DB 3x German Bund Futures Exchange Traded Notes due March 31, 2021	NYSE Arca
DB 3x Japanese Govt Bond Futures Exchange Traded Notes due March 31, 2021	NYSE Arca
DB 3x Inverse Japanese Govt Bond Futures Exchange Traded Notes due November 30, 2021	NYSE Arca
DB 3x Long 25+ Year Treasury Bond Exchange Traded Notes due May 31, 2040	NYSE Arca
DB 3x Short 25+ Year Treasury Bond Exchange Traded Notes due May 31, 2040	NYSE Arca
ELEMENTS Dogs of the Dow Linked to the Dow Jones High Yield Select 10 Total Return Index due November 14, 2022	NYSE Arca
ELEMENTS Linked to the Morningstar® Wide Moat Focus(SM) Total Return Index due October 24, 2022	NYSE Arca
FI Enhanced Global High Yield Exchange Traded Notes Linked to the MSCI World High Dividend Yield USD Gross Total Return Index due October 12, 2023	NYSE Arca

* For listing purpose only, not for trading.

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3 Deutsche Bank
Annual Report 2015 on Form 20-F

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Deutsche Bank Aktiengesellschaft, which we also call Deutsche Bank AG, is a stock corporation organized under the laws of the Federal Republic of Germany. Unless otherwise specified or required by the context, in this document, references to we , us , our , the Group and Deuts Bank Group are to Deutsche Bank Aktiengesellschaft and its consolidated subsidiaries.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals we provide and percentages may not precisely reflect the absolute figures.

Our registered address is Taunusanlage 12, 60325 Frankfurt am Main, Germany, and our telephone number is +49-69-910-00.

Inclusion of Our Annual Report 2015

We have included as an integral part of this Annual Report on Form 20-F our Annual Report 2015, to which we refer for the responses to certain items hereof. Certain portions of the Annual Report 2015 have been omitted, as indicated therein. The included Annual Report 2015 contains our consolidated financial statements, which we also incorporate by reference into this report, in response to Items 8.A and 18. Such consolidated financial statements differ from those contained in the Annual Report 2015 used for other purposes in that, for Notes 44 and 45 thereto, notes addressing non-U.S. requirements have been replaced with notes addressing U.S. requirements, and Note 46 thereto has been omitted. Such consolidated financial statements have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, as described in their Report of Independent Registered Public Accounting Firm included on page 389 of the Annual Report 2015, which report is included only in the version of the Annual Report 2015 included in this Annual Report on Form 20-F.

Cautionary Statement Regarding Forward-Looking Statements

We make certain forward-looking statements in this document with respect to our financial condition and results of operations. In this document, forward-looking statements include, among others, statements relating to:

- the potential development and impact on us of economic and business conditions and the legal and regulatory environment to which we are subject;
- the implementation of our strategic initiatives and other responses thereto;
- the development of aspects of our results of operations;
- our expectations of the impact of risks that affect our business, including the risks of losses on our trading processes and credit exposures; and
- other statements relating to our future business development and economic performance.

In addition, we may from time to time make forward-looking statements in our periodic reports to the United States Securities and Exchange Commission on Form 6-K, annual and interim reports, invitations to Annual General Meetings and other information sent to shareholders, offering circulars and prospectuses, press releases and other written materials. Our Management Board, Supervisory Board, officers and employees may also make oral forward-looking statements to third parties, including financial analysts.

Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. We use words such as believe , anticipate , expect , intend , seek , estimate , project , should , potential , reasonably possible , plan , aim and s identify forward-looking statements.

By their very nature, forward-looking statements involve risks and uncertainties, both general and specific. We base these statements on our current plans, estimates, projections and expectations. You should therefore not place too much reliance on them. Our forward-looking statements speak only as of the date we make them, and we undertake no obligation to update any of them in light of new information or future events.

We caution you that a number of important factors could cause our actual results to differ materially from those we describe in any forward-looking statement. These factors include, among others, the following:

- the potential development and impact on us of economic and business conditions;
- other changes in general economic and business conditions;
- changes and volatility in currency exchange rates, interest rates and asset prices;
- changes in governmental policy and regulation, including measures taken in response to economic, business, political and social conditions;
- the potential development and impact on us of legal and regulatory proceedings to which we are or may become subject;
- changes in our competitive environment;
- the success of our acquisitions, divestitures, mergers and strategic alliances;
- our success in implementing our strategic initiatives and other responses to economic and business conditions and the legal and regulatory environment and realizing the benefits anticipated therefrom; and
- other factors, including those we refer to in Item 3: Key Information Risk Factors and elsewhere in this document and others to which we do not refer.

Use of Non-GAAP Financial Measures

This document and other documents we have published or may publish contain non-GAAP financial measures. Non-GAAP financial measures are measures of our historical or future performance, financial position or cash flows that contain adjustments which exclude or include amounts that are included or excluded, as the case may be, from the most directly comparable measure calculated and presented in accordance with IFRS in our financial statements. Examples of our non-GAAP financial measures, and the most directly comparable IFRS financial measures, are as follows:

Non-GAAP Financial Measure	Most Directly Comparable IFRS Financial Measure
IBIT attributable to Deutsche Bank shareholders	Income (loss) before income taxes
Adjusted costs	Noninterest expenses
Average active equity	Average shareholders equity
Pre-tax return on average active equity	Pre-tax return on average shareholders equity
Post-tax return on average active equity	Post-tax return on average shareholders equity
Tangible shareholders equity, Tangible book value	Total shareholders equity (book value)
Post-tax return on average tangible shareholders equity	Post-tax return on average shareholders equity

CRR/CRD 4 Solvency Measures

Our regulatory assets, exposures, risk-weighted assets, capital and ratios thereof are calculated for regulatory purposes as of December 31, 2015 and December 31, 2014 and set forth throughout this document under the regulation on prudential requirements for credit institutions and investment firms (CRR) and the Capital Requirements Directive 4 (CRD 4) implementing Basel 3, which were published on June 27, 2013 and which apply on and after January 1, 2014. CRR/CRD 4 provides for transitional rules, under which capital instruments that are no longer eligible under the new rules are permitted to be phased-out as the new rules on regulatory adjustments are phased in, as well as regarding the risk weighting of certain categories of assets. Unless otherwise noted, our CRR/CRD 4 solvency measures as of December 31, 2015 and December 31, 2014 set forth in this document reflect these transitional rules.

We also set forth in this document such CRR/CRD 4 measures on a fully loaded basis, reflecting full application of the rules without consideration of the transitional provisions under CRR/CRD 4. As the final implementation of CRR/CRD 4 may differ from our expectations, and our competitors assumptions and estimates regarding such implementation may vary, our fully loaded CRR/CRD 4 measures, which are non-GAAP financial measures, may not be comparable with similarly labeled measures used by our competitors.

Because CRR/CRD 4 was not yet applicable prior to January 1, 2014, our regulatory assets, exposures, risk-weighted assets, capital and ratios thereof were calculated for regulatory purposes as of December 31, 2013 under the previously applicable the Basel 2.5 capital rules.

We believe that these fully loaded and pro forma CRR/CRD 4 calculations provide useful information to investors as they reflect our progress against the new regulatory capital standards and as many of our competitors have been describing CRR/CRD 4 calculations on a fully loaded basis.

Further Description and Reconciliation of Non-GAAP Financial Measures

For descriptions of these non-GAAP financial measures and the adjustments made to the most directly comparable financial measures under IFRS (or the CRR/CRD 4 rules, as applicable), please refer to Supplementary Information: Non-GAAP Financial Measures on pages 438 through 442 of the Annual Report 2015 and, for the CRR/CRD 4 regulatory capital, risk-weighted assets, capital ratios and leverage ratio, to Management Report: Risk Report: Risk and Capital Performance: Capital and Leverage Ratio on pages 125 through 137 of the Annual Report 2015, which are incorporated by reference herein.

When used with respect to future periods, our non-GAAP financial measures are also forward-looking statements. We cannot predict or quantify the levels of the most directly comparable financial measures under IFRS (or the CRR/CRD 4 rules) that would correspond to these non-GAAP financial measures for future periods. This is because neither the magnitude of such IFRS (or CRR/CRD 4) financial measures, nor the magnitude of the adjustments to be used to calculate the related non-GAAP financial measures from such IFRS (or CRR/CRD 4) financial measures, can be predicted. Such adjustments, if any, will relate to specific, currently unknown, events and in most cases can be positive or negative, so that it is not possible to predict whether, for a future period, the non-GAAP financial measure will be greater than or less than the related IFRS (or CRR/CRD 4) financial measure.

Use of Internet Addresses

This document contains inactive textual addresses of Internet websites operated by us and third parties. Reference to such websites is made for informational purposes only, and information found at such websites is not incorporated by reference into this document.

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PART I

Item 1: Identity of Directors, Senior Management and Advisers

Not required because this document is filed as an annual report.

Item 2: Offer Statistics and Expected Timetable

Not required because this document is filed as an annual report.

Item 3: Key Information

Selected Financial Data

We have derived the data we present in the tables below from our audited consolidated financial statements for the years presented. You should read all of the data in the tables below together with the consolidated financial statements and notes included in Item 18: Financial Statements and the information we provide in Item 5: Operating and Financial Review and Prospects. Except where we have indicated otherwise, we have prepared all of the consolidated financial information in this document in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU). Our corporate division and segment data comes from our management reporting systems and is not in all cases prepared in accordance with IFRS. For a discussion of the major differences between our management reporting systems and our consolidated financial statements under IFRS, see Note 4 Business Segments and Related Information to the consolidated financial statements.

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Income Statement Data

	2015 in m.	2014 in m.	2013 in m.	2012 in m.	2011 in m.
Net interest income	**15,881**	**14,272**	**14,834**	**15,975**	**17,445**
Provision for credit losses	956	1,134	2,065	1,721	1,839
Net interest income after provision for credit losses	**14,925**	**13,138**	**12,769**	**14,254**	**15,606**
Commissions and fee income	12,765	12,409	12,308	11,809	11,878
Net gains (losses) on financial assets/liabilities at fair value through profit or loss	3,842	4,299	3,817	5,608	2,724
Other noninterest income (loss)	1,037	969	956	344	1,181
Total net revenues	**33,525**	**31,949**	**31,915**	**33,736**	**33,228**
Compensation and benefits	13,293	12,512	12,329	13,490	13,135
General and administrative expenses	18,632	14,654	15,126	15,017	12,657
Policyholder benefits and claims	256	289	460	414	207
Impairment of goodwill and other intangible assets	5,776	111	79	1,886	0
Restructuring activities	710	133	399	394	0
Total noninterest expenses	**38,667**	**27,699**	**28,394**	**31,201**	**25,999**
Income (loss) before income taxes	**(6,097)**	**3,116**	**1,457**	**814**	**5,390**
Income tax expense	675	1,425	775	498	1,064
Net income (loss)	**(6,772)**	**1,691**	**681**	**316**	**4,326**
Net income attributable to noncontrolling interests	21	28	15	53	194
Net income (loss) attributable to Deutsche Bank shareholders and additional equity components	(6,794)	1,663	666	263	4,132

	in	in	in	in	in
Basic earnings per share[1,2]	(5.06)	1.34	0.64	0.27	4.25
Diluted earnings per share[1,3]	(5.06)	1.31	0.62	0.26	4.11
Dividends paid per share[4]	0.75	0.75	0.75	0.75	0.75

1 The number of average basic and diluted shares outstanding has been adjusted for all periods before June 2014 in order to reflect the effect of the bonus component of subscription rights issued in June 2014 in connection with the capital increase.

2 We calculate basic earnings per share for each period by dividing our net income attributable to Deutsche Bank shareholders by the average number of common shares outstanding. In 2015 earnings were adjusted by 228 million net of tax for the coupons paid on Additional Tier 1 Notes in April 2015.

3 We calculate diluted earnings per share for each period by dividing our net income attributable to Deutsche Bank shareholders by the average number of common shares outstanding, both after assumed conversions. In 2015 earnings were adjusted by 228 million net of tax for the coupons paid on Additional Tier 1 Notes in April 2015. For 2015, there is no dilutive effect as the Group reported a net loss.

4 Dividends we declared and paid in the year.

Balance Sheet Data

	2015 in m.	2014 in m.	2013 in m.	2012 in m.	2011 in m.
Total assets	1,629,130	1,708,703	1,611,400	2,022,275	2,164,103
Loans	427,749	405,612	376,582	397,377	412,514
Deposits	566,974	532,931	527,750	577,210	601,730
Long-term debt	160,016	144,837	133,082	157,325	163,416
Common shares	3,531	3,531	2,610	2,380	2,380
Total shareholders equity	62,678	68,351	54,719	54,001	53,390
Common Equity Tier 1 capital (CRR/CRD 4)[1]	52,429	60,103	38,534	37,957	36,313
Common Equity Tier 1 capital (CRR/CRD 4 fully loaded)[1]	44,101	46,076	38,534	37,957	36,313
Tier 1 capital (CRR/CRD 4)[1]	58,222	63,898	50,717	50,483	49,047
Tier 1 capital (CRR/CRD 4 fully loaded)[1]	48,651	50,695	50,717	50,483	49,047
Total regulatory capital (CRR/CRD 4)[1]	64,522	68,293	55,464	57,015	55,226
Total regulatory capital (CRR/CRD 4 fully loaded)[1]	60,976	63,072	55,464	57,015	55,226

1 Figures presented for 2015 and 2014 are based on the transitional rules (CRR/CRD 4) and the full application (CRR/CRD 4 fully loaded) of the CRR/CRD 4 framework. Figures presented for 2013, 2012 and 2011 are based on "Basel 2.5". The capital ratios relate the respective capital to risk-weighted assets. Until 2013 transitional items pursuant to the former Section 64h (3) of the German Banking Act are excluded.

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Certain Key Ratios and Figures

	2015	2014	2013	2012	2011
Share price at period-end[1]	22.53	24.99	33.07	31.43	28.08
Share price high[1]	33.42	38.15	36.94	37.68	46.45
Share price low[1]	20.69	22.66	28.05	21.09	19.82
Book value per basic share outstanding[2,4]	45.16	49.32	50.80	54.74	55.44
Tangible book value per basic share outstanding[3,4]	37.90	38.53	37.87	40.32	39.03
Post-tax return on average shareholders equity[5]	(9.8) %	2.7 %	1.2 %	0.5 %	8.2 %
Post-tax return on average active equity[6]	(9.9) %	2.7 %	1.2 %	0.5 %	8.2 %
Post-tax return on average tangible shareholders equity[7]	(12.3) %	3.5 %	1.6 %	0.7 %	11.7 %
Cost/income ratio[8]	115.3 %	86.7 %	89.0 %	92.5 %	78.2 %
Compensation ratio[9]	39.7 %	39.2 %	38.6 %	40.0 %	39.5 %
Noncompensation ratio[10]	75.7 %	47.5 %	50.3 %	52.5 %	38.7 %
Common Equity Tier 1 capital ratio (CRR/CRD 4)[11]	13.2 %	15.2 %	12.8 %	11.4 %	9.5 %
Common Equity Tier 1 capital ratio (CRR/CRD 4 fully loaded)[11]	11.1 %	11.7 %	12.8 %	11.4 %	9.5 %
Tier 1 capital ratio (CRR/CRD 4)[11]	14.7 %	16.1 %	16.9 %	15.1 %	12.9 %
Tier 1 capital ratio (CRR/CRD 4 fully loaded)[11]	12.3 %	12.9 %	16.9 %	15.1 %	12.9 %
Employees at period-end (full-time equivalent):[12]					
In Germany	45,757	45,392	46,377	46,308	47,323
Outside Germany	55,347	52,746	51,877	51,911	53,673
Branches at period-end:					

In Germany	1,827	1,845	1,924	1,944	2,039
Outside Germany	963	969	983	1,040	1,039

[1] Historical share prices have been adjusted on June 5, 2014 with retroactive effect to reflect the capital increase by multiplying a correcting factor of 0.9538.
[2] Shareholders equity divided by the number of basic shares outstanding (both at period-end).
[3] Shareholders equity less goodwill and other intangible assets, divided by the number of basic shares outstanding (both at period-end).
[4] The number of average basic shares outstanding has been adjusted for all periods before June 2014 in order to reflect the effect of the bonus element of the subscription rights issue in connection with the capital increase in June 2014.
[5] Net income attributable to our shareholders as a percentage of average shareholders equity.
[6] Net income attributable to our shareholders as a percentage of average active equity.
[7] Net income attributable to our shareholders as a percentage of average tangible shareholders equity.
[8] Total noninterest expenses as a percentage of net interest income before provision for credit losses, plus noninterest income.
[9] Compensation and benefits as a percentage of total net interest income before provision for credit losses, plus noninterest income.
[10] Noncompensation noninterest expenses, which is defined as total noninterest expenses less compensation and benefits, as a percentage of total net interest income before provision for credit losses, plus noninterest income.
[11] Figures presented for 2015 and 2014 are based on the transitional rules (CRR/CRD 4) and the full application (CRR/CRD 4 fully loaded) of the CRR/CRD 4 framework. Figures presented for 2013, 2012 and 2011 are based on "Basel 2.5". The capital ratios relate the respective capital to risk-weighted assets. Until 2013 transitional items pursuant to the former Section 64h (3) of the German Banking Act are excluded.
[12] Deutsche Postbank aligned its FTE definition to that of Deutsche Bank which reduced the Group number as of December 31, 2011 by 260.

Dividends

The following table shows the dividend per share in euro and in U.S. dollars for the years ended December 31, 2015, 2014, 2013, 2012, and 2011. We declare our dividends at our Annual General Meeting following each year. For 2015, the board will propose to the Annual General Meeting to pay no dividend. Our dividends are based on the non-consolidated results of Deutsche Bank AG as prepared in accordance with German accounting principles. Because we declare our dividends in euro, the amount an investor actually receives in any other currency depends on the exchange rate between euro and that currency at the time the euros are converted into that currency.

Effective January 1, 2009, the German withholding tax applicable to dividends is 26.375 % (consisting of a 25 % withholding tax and an effective 1.375 % surcharge). For individual German tax residents, the withholding tax paid after January 1, 2009 represents for private dividends, generally, the full and final income tax applicable to the dividends. Dividend recipients who are tax residents of countries that have entered into a convention for avoiding double taxation may be eligible to receive a refund from the German tax authorities for a portion of the amount withheld and in addition may be entitled to receive a tax credit for the German withholding tax not refunded in accordance with their local tax law.

U.S. residents will be entitled to receive a refund equal to 11.375 % of the dividends received after January 1, 2009. For U.S. federal income tax purposes, the dividends we pay are not eligible for the dividends received deduction generally allowed for dividends received by U.S. corporations from other U.S. corporations.

Dividends in the table below are presented before German withholding tax.

See Item 10: Additional Information Taxation for more information on the tax treatment of our dividends.

			Payout ratio [2,3]	
	Dividends per share[1]	Dividends per share	Basic earnings per share	Diluted earnings per share
2015 (proposed)	$ 0.00	0.00	N/M	N/M
2014	$ 0.91	0.75	56 %	57 %
2013	$ 1.03	0.75	117 %	121 %
2012	$ 0.99	0.75	N/M	N/M
2011	$ 0.97	0.75	17 %	17 %

N/M Not meaningful

1 For your convenience, we present dividends in U.S. dollars for each year by translating the euro amounts at the period end rate for the last business day at each year end as described below under Exchange Rate and Currency Information .

2 We define our payout ratio as the dividends we paid per share in respect of each year as a percentage of our basic and diluted earnings per share for that year.

3 The number of average basic and diluted shares outstanding has been adjusted in order to reflect the effect of the bonus element of the subscription rights issue in connection with the capital increase in June 2014. For 2015, there is no dilutive effect as the Group reported a net loss.

Exchange Rate and Currency Information

Germany s currency is the euro. For your convenience, we have translated some amounts denominated in euro appearing in this document into U.S. dollars. Unless otherwise stated, we have made these translations at U.S.$ 1.0887 per euro, the euro foreign exchange reference rate for U.S. dollars published by the European Central Bank (ECB) for December 31, 2015. ECB euro foreign exchange reference rates are based on a regular daily concertation procedure between central banks across Europe and worldwide, which normally takes place at 2.15 p.m. CET. You should not construe any translations as a representation that the amounts could have been exchanged at the rate used on December 31, 2015 or any other date.

The ECB euro foreign exchange reference rate for U.S. dollars for December 31, 2015 may differ from the actual rates we used in the preparation of the financial information in this document. Accordingly, U.S. dollar amounts appearing in this document may differ from the actual U.S. dollar amounts that we originally translated into euros in the preparation of our financial statements.

Fluctuations in the exchange rate between the euro and the U.S. dollar will affect the U.S. dollar equivalent of the euro price of our shares quoted on the German stock exchanges and, as a result, are likely to affect the market price of our shares on the New York Stock Exchange. These fluctuations will also affect the U.S. dollar value of cash dividends we may pay on our shares in euros. Past fluctuations in foreign exchange rates may not be predictive of future fluctuations.

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Euro foreign exchange reference rates for U.S. dollars as published by the ECB

in U.S.$ per	Period-end[1]	Average[2]	High	Low
2016				
February	1.0888	0.0000	1.1347	1.0884
January	1.0920	0.0000	1.0920	1.0742
2015				
December	1.0887	0.0000	1.0990	1.0600
November	1.0579	0.0000	1.1032	1.0579
October	1.1017	0.0000	1.1439	1.0930
September	1.1203	0.0000	1.1419	1.1138
2014	1.2141	1.3211	1.3953	1.2141
2013	1.3791	1.3308	1.3814	1.2768
2012	1.3194	1.2932	1.3454	1.2089
2011	1.2939	1.4000	1.4882	1.2889

1 Period-end rate is the rate announced for the last business day of the period.
2 We calculated the average rates for each year using the average of exchange rates on the last business day of each month during the year. We did not calculate average exchange rates within months.

Capitalization and Indebtedness

Consolidated capitalization in accordance with IFRS as of December 31, 2015

	in m.
Debt:[1,2]	
Long-term debt	160,016
Trust preferred securities	7,020
Long-term debt at fair value through profit or loss	8,710
Total debt	**175,747**

Shareholders equity:	
Common shares (no par value)	3,531
Additional paid-in capital	33,572
Retained earnings	21,182
Common shares in treasury, at cost	(10)
Accumulated other comprehensive income, net of tax	
Unrealized net gains (losses) on financial assets available for sale, net of applicable tax and other	1,384
Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax	97
Unrealized net gains (losses) on assets classified as held for sale, net of tax	662
Foreign currency translation, net of tax	2,196
Unrealized net gains (losses) from equity method investments	66
Total shareholders equity	**62,679**
Equity component of financial instruments	4,675
Noncontrolling interests	270
Total equity	**67,624**
Total capitalization	**243,370**

[1] 864 million (0.5 %) of our debt was guaranteed as of December 31, 2015. This consists of debt of a subsidiary of Deutsche Postbank AG which is guaranteed by the German government.

[2] 33,117 million (19 %) of our debt was secured as of December 31, 2015.

Reasons for the Offer and Use of Proceeds

Not required because this document is filed as an annual report.

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Risk Factors

An investment in our securities involves a number of risks. You should carefully consider the following information about the risks we face, together with other information in this document, when you make investment decisions involving our securities. If one or more of these risks were to materialize, it could have a material adverse effect on our financial condition, results of operations, cash flows or prices of our securities.

Recent tepid economic growth, and uncertainties about prospects for growth going forward, have affected and continue to negatively affect our results of operations and financial condition in some of our businesses, while a continuing low interest environment and competition in the financial services industry have compressed margins in many of our businesses. If these conditions persist or worsen, our business, results of operations or strategic plans could be adversely affected.

After a period earlier in 2015 when economic data appeared to be stabilizing or improving in many countries and the risk of a negative macro scenario and diminishing global growth appeared to be receding, developments late in the year 2015, as well as developments since the start of the new year, have caused these concerns to resurface, and markets, including equity markets in particular, have moved sharply downward. Eurozone data confirmed that the economy continued to grow at about its trend rate during much of 2015, propelled by real income gains provided by falling oil prices. Despite what appeared to be an improving growth background at the time, the European Central Bank (ECB) cut the deposit rate to -0.30 per cent in December 2015 and announced an extension of the asset purchase program until March 2017 or beyond if inflation and inflation expectations do not materially improve. The economic outlook has dimmed somewhat since the start of the year largely in the face of political concerns and concerns about the global outlook, however, and thus the ECB will probably make its monetary policy even more expansionary in the course of the year. Similarly, the Bank of England surprised by pivoting toward a more dovish policy stance. In the U.S., meanwhile, strong labour market data finally prompted the Federal Reserve to end seven years of zero interest rates by increasing the Fed Funds target rate by 0.25 percentage points in December. Since then, however, U.S. data have been mixed, pointing towards a somewhat weaker winter half and causing the Federal Reserve once again to question the wisdom of further monetary tightening in the near term. Moreover, we now expect a lower trend growth rate in the U.S. for the coming years. While in the past falling oil prices were overwhelmingly positive for the U.S. economy, U.S. production levels given the fracking boom, and the economics of this business, have largely broken this historical relationship. In Emerging Markets, growth remains weak; while it appears to be bottoming out in some economies, others, particularly those for which oil exports are critical to the economy, may not yet be reaching their nadir. Political uncertainty is also taking an increasing toll in Emerging Markets. In China, prospects remain uncertain and prognostication difficult. While some leading indicators are still compatible with a modest improvement in near-term growth, others are less optimistic, and perceived risks to the Chinese growth rate over the medium term is heavily pressuring commodities markets worldwide. While China is supporting its economy with more expansionary monetary and fiscal policies, looser policy is placing pressure on the currency and structural problems are likely to slow down the intended shift towards domestic demand driven growth and the health of the financial sector remains open to question. Monetary policy in China will probably become more expansive in order to bolster the economy. In Japan, fiscal measures and the ongoing extremely expansionary monetary policy (Abenomics) are supporting growth, while weak external demand has impacted negatively.

Numerous risks are currently increasing the uncertainty of our global forecast by a greater degree than usual. While on the one hand the global financial markets could react much more negatively to normalization of U.S. monetary policy than assumed, a delay in further tightening due to perceptions of faltering growth could also unsettle the markets. This could have a negative impact on household and corporate expenditure worldwide and result in much higher capital outflows from emerging markets as investors flee riskier asset classes in the light of continuing uncertainty and greater volatility. In any event, monetary policymakers in most industrialized countries have few tools left in their toolboxes to combat stagnation or contraction. The falling oil price is exacerbating the problems in the oil-producing countries and complicating the financing of energy-related investments. Moreover, geopolitical risks could escalate, especially those arising from conflicts in the Middle East. Also, a hard landing in China could trigger global upheaval. In Europe, a flare-up in the debate on monetary policy going forward and the future of the eurozone, insufficient deleveraging in the private and public sectors, a halt in implementing structural reforms or, also, an elevated level of political uncertainty could potentially have a substantial impact on our forecasts.

Against this background and these uncertainties, we have observed continued subdued client activity in a number of our businesses. The simultaneous easing of monetary policy in the eurozone and the tightening of it in the United States may have disruptive effects on many of our businesses. Our credit flow businesses continue to be affected by the potential tightening of monetary policy in the United States, even as the ultra-low interest rate environment, especially in the eurozone, where it may be sustained, and geopolitical uncertainties have also put pressure on our margins in several traditional banking sectors. We may face further uncertainty if, as it currently appears, the net effect of monetary policies in the U.S. and the eurozone is to continue to weaken the euro against the U.S. dollar. A stronger U.S. dollar can have a beneficial effect on our revenues, as a significant portion of our revenues is generated in the United States while our results are reported in euro. A stronger U.S. dollar will, however, also increase the euro values of our U.S. dollar-denominated costs and liabilities, including those incurred in respect of U.S. litigation and enforcement matters, and will also tend to significantly increase our risk-weighted assets, including those in the Non-Core Operations Unit (NCOU), that are denominated in U.S. dollars. This can lead to material declines in our capital ratios, as our capital is preponderantly denominated in euro.

Like many in the investment banking industry, we continue to rely on our trading and markets businesses as a primary source of profit. However, these flow businesses, in particular our fixed income securities franchise, have continued to face an extremely challenging environment, caused by cyclical uncertainty about the low interest rate environment, central bank intervention in markets and the gradual cessation thereof and overall sluggish economic growth. We are substantially dependent on the performance of our flow businesses, and this dependency exceeds that of many of our competitors. While some of our businesses can profit from market volatility, many businesses dependent on client flow are increasingly challenged in uncertain times, and our Strategy 2020 intends us to retreat from a number of businesses that focused on riskier asset classes or strategies (but that in earlier periods also had the potential to be more highly profitable than those dependent on low-risk, low-margin flow in a very low interest rate environment). Our strategic decisions on these businesses led in part to impairments we recognized in our Corporate Banking & Securities (CB&S) business division in 2015 and reflect a new view on the medium-term profit potential of these activities. These negative effects have been exacerbated by the impacts on our profitability from continued de-risking across the group and long-term structural trends driven by regulation (especially increased regulatory capital and leverage requirements and increased compliance costs) and competition that have further compressed our margins in many of our businesses. Should a combination of these factors continue to lead to reduced margins and subdued activity levels in our trading and markets business over the longer term, this could reflect structural challenges that may lead us to consider even further reaching changes to aspects of our business model than those contained in Strategy 2020.

If uncertainty about the macroeconomic environment or the financial sector persists or worsens, these trends are likely to continue to be difficult for us to counter. More generally, if economic conditions in the eurozone remain at their current subdued levels, or worsen, if growth falters in the U.S. or if economic growth stagnates in China or elsewhere, our results of operations may be materially and adversely affected. Continued quantitative easing by the ECB in response to this may lead to a continuation of the current environment of low interest rates and margin compression, which may also already affect our business and financial position. By contrast, any decision by the Federal Reserve or by central banks more generally to tighten their monetary policy if economies continue to improve could have a material adverse effect on perceptions of liquidity in the financial system and on the global economy more generally, and may adversely affect our business and financial position. In particular, we may in the future be unable to offset the potential negative effects on our profitability of the current macroeconomic and market conditions through performance in our other businesses.

The challenges described above have been exacerbated as we continue to face headwinds from the continuing intensification of the regulatory environment. A continued high level of litigation and enforcement matters has given rise to reputational challenges, has put further pressure on our profitability and returns, and has made our periodic results more volatile as we often have little control as to the period in which we will resolve active matters. These factors, along with similar concerns regarding other financial institutions, have placed pressure on the markets for our securities, along with concerns regarding our ability to overcome the numerous headwinds facing us.

An elevated level of political uncertainty and the increasing attractiveness to voters of populist parties in a number of countries in the European Union could lead to a partial unwinding of European integration. Furthermore, anti-austerity movements in some member countries of the eurozone could undermine confidence in the continued viability of those countries participation in the euro. An escalation of political risks could have unpredictable political consequences as well as consequences for the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across our businesses. Our ability to protect ourselves against these risks is limited.

Regulatory and political actions in response to the European sovereign debt crisis may not be sufficient to prevent the euro crisis from flaring up again. The severity of the European debt crisis appeared to have abated somewhat over recent years as the actions by the ECB, the rescue packages and the economic recovery starting by mid-2013 seemed to be stabilizing the situation in Europe. However, political uncertainty seems set to be on an elevated level in 2016 and could trigger the unwinding of some of the levels of European integration that have benefitted our businesses. An escalation of political risks could have unpredictable consequences both for the financial system and the greater economy as a whole, potentially leading to declines in business levels, write-downs of assets and losses across our businesses.

The European sovereign debt crisis, the UK referendum on EU membership (Brexit), which is looking more likely to take place in mid-2016, and the migration/refugee crisis have released centrifugal forces which will pose an ongoing huge challenge for European politics. Member states, particularly those on the external geographical border of the European Union, are increasingly looking for national solutions rather than a European solution. In some, populist or anti-austerity political parties or movements have garnered increased popular support and political stature. In Germany, Chancellor Merkel s focus on Europe-wide rather than single-state solutions has begun to undermine her domestic support, and has placed German policy increasingly at odds with that of many of its European partners. Against this background the prospects for meaningful national structural reform and further euro area integration, both seen as critical components to sustainably reducing euro area crisis vulnerabilities, look poor.

Any political decision by any member country to leave the eurozone could lead to tremendous pressure on other member countries to do so as well and could potentially lead to a significant deterioration of the sovereign debt market, especially if the exit did not result in the catastrophic effects on the exiting country that many have predicted. If one or more members of the eurozone defaults on their debt obligations or decides to leave the common currency, this would result in the reintroduction of one or more national currencies. Should a eurozone country conclude it must exit the common currency, the resulting need to reintroduce a national currency and restate existing contractual obligations could have unpredictable financial, legal, political and social consequences, leading not only to significant losses on sovereign debt but also on private debt in that country. Given the highly interconnected nature of the financial system within the eurozone, and the high levels of exposure we have to public and private counterparties around Europe, our ability to plan for such a contingency in a manner that would reduce our exposure to non-material levels is likely to be limited. If the overall economic climate deteriorates as a result of one or more departures from the eurozone, our businesses could be adversely affected, and, if overall business levels decline or we are forced to write down significant exposures among our various businesses, we could incur substantial losses. We could suffer similar effects should the UK choose in favor of Brexit ; although the UK is not in the eurozone, its economy and those of the eurozone countries are very tightly linked as a result of EU integration projects other than the euro, and the scale of our businesses in the UK especially those dependent on activity levels in the City of London, to which we are heavily exposed and which are likely to deteriorate considerably in the event of a Brexit means that even modest effects in percentage terms can have a very substantial adverse effect on our businesses.

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

The effects of the continuing sovereign debt crisis have been especially evident in the financial sector, as a large portion of the sovereign debt of eurozone countries is held by European financial institutions, including us. As of December 31, 2015, we had a direct sovereign credit risk exposure of 4.0 billion to Italy, 725 million to Spain, 112 million to Portugal, 55 million to Ireland and 0 million to Greece. Despite the apparent abatement of the crisis in recent years, it remains uncertain whether, in light of the current political environment, Greece or other eurozone sovereigns, such as Spain, Italy, Portugal and Cyprus, will be able to manage their debt levels in the future and whether Greece will attempt to renegotiate its past international debt restructuring. The rise of anti-austerity parties and populist sentiment in many of these countries poses a threat to the medium- to long-term measures recommended for these countries to alleviate the tensions in the euro caused by drastically differing economic situations among the eurozone states. In the future, negotiations or exchanges similar to the Greek debt restructuring in 2012 could take place with respect to the sovereign debt of these or other affected countries. The outcome of any negotiations regarding changed terms (including reduced principal amounts or extended maturities) of sovereign debt may result in additional impairments of assets on our balance sheet. Any negotiations are highly likely to be subject to political and economic pressures that we cannot control, and we are unable to predict their effects on the financial markets, on the greater economy or on ourselves.

In addition, any restructuring of outstanding sovereign debt may result in potential losses for us and other market participants that are not covered by payouts on hedging instruments that we have entered into to protect against the risk of default. These instruments largely consist of credit default swaps, generally referred to as CDSs, pursuant to which one party agrees to make a payment to another party if a credit event (such as a default) occurs on the identified underlying debt obligation. A sovereign restructuring that avoids a credit event through voluntary write-downs of value may not trigger the provisions in CDSs we have entered into, meaning that our exposures in the event of a write-down could exceed the exposures we previously viewed as our net exposure after hedging. Additionally, even if the CDS provisions are triggered, the amounts ultimately paid under the CDSs may not correspond to the full amount of any loss we incur. We also face the risk that our hedging counterparties have not effectively hedged their own exposures and may be unable to provide the necessary liquidity if payments under the instruments they have written are triggered. This may result in systemic risk for the European banking sector as a whole and may negatively affect our business and financial position.

We have a continuous demand for liquidity to fund our business activities. We may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to us even if our underlying business remains strong.

We are exposed to liquidity risk, which is the risk arising from our potential inability to meet all payment obligations when they become due or only being able to meet them at excessive cost. Our liquidity may become impaired due to reluctance of our counterparties or the market to finance our operations due to actual or perceived weaknesses in our businesses, our business model or our strategy, as well as in our resilience to counter negative economic and market conditions. Such impairments can also arise from circumstances unrelated to our businesses and outside our control, such as, but not limited to, disruptions in the financial markets. For example, we have in recent weeks, as well as in the past, experienced steep declines in the price of our shares and increases in the premium investors must pay when purchasing CDSs on our debt. In addition, negative developments concerning other financial institutions perceived to be comparable to us and negative views about the financial services industry in general have also affected us in recent years. These perceptions have affected the prices at which we have accessed the capital markets to obtain the necessary funding to support our business activities; should these perceptions worsen, our ability to obtain this financing on acceptable terms may be adversely affected. Among other things, an inability to refinance assets on our balance sheet or maintain appropriate levels of capital to protect against deteriorations in their value could force us to liquidate assets we hold at depressed prices or on unfavorable terms, and could also force us to curtail business, such as the extension of new credit. This could have an adverse effect on our business, financial condition and results of operations.

As a result of funding pressures arising from the European sovereign debt crisis and the global economic weakness more generally, there has been increased intervention by a number of central banks over the past several years, in particular by the ECB and the Federal Reserve (although after seven years of monetary easing, the Federal Reserve

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reversed course in December 2015 by increasing the Fed Funds target interest rate by 0.25 percentage points). In September 2012, the ECB announced an unlimited sovereign bond buying program (referred to as the OMT Program) aimed at keeping the borrowing costs of affected eurozone countries low through the purchase of their debt instruments. In a court order dated January 14, 2014, the German Constitutional Court (Bundesverfassungsgericht) sought guidance from the Court of Justice of the European Union as to whether the OMT Program is compatible with European law. In its preliminary ruling of June 16, 2015, the Court of Justice of the European Union held that the OMT Program, subject to certain restrictions, was in compliance with European law. The final decision of the German Constitutional Court is still outstanding but could, if the OMT Program is found incompatible with German constitutional law, negatively impact the stability of the eurozone. Over the course of 2015, the ECB maintained its main refinancing rate at 0.05 %, and made liquidity available to the banks via targeted longer-term refinancing operations. In addition, the ECB has implemented a program commonly referred to as quantitative easing , which is designed to keep long-term interest rates low through substantial purchases of long-term financial assets from private institutions. The Federal Reserve has also expanded its provision of U.S. dollar liquidity to the ECB, which the ECB has then made available to European banks.

To the extent these incremental measures, most of which have resulted in the availability of additional liquidity to financial institutions and the financial markets in the eurozone more generally, are curtailed or halted, this could adversely impact funding markets for financial institutions, including us. This could in turn lead to an increase in funding costs, or reduced funding supply, which could result in a reduction in business activity. In particular, any decision by the ECB to discontinue or reduce quantitative easing or further steps by the Federal Reserve to tighten its monetary policy or actions by central banks more generally to tighten their monetary policy will likely cause long-term interest rates to increase and accordingly impact the costs of our funding. In addition, negative perceptions concerning our business and prospects could develop as a result of large losses, changes of our credit ratings, a general decline in the level of business activity in the financial services sector, regulatory action, serious employee misconduct or illegal activity, as well as many other reasons outside our control and that we cannot foresee.

Since the start of the global financial crisis, the major credit rating agencies have lowered our credit ratings or placed them on review or watch on multiple occasions. On July 29, 2014, Moody s Investors Service downgraded our long-term debt and deposit ratings from A2 to A3. On January 25, 2016, Moody s further downgraded our long-term debt rating from A3 to Baa1 (while upgrading our deposit rating from A2 to A3), based on the German Resolution Mechanism Act, which provides that certain senior debt instruments will be paid after deposits and other liabilities in resolution or insolvency proceedings; Moody s outlook on both our long-term debt and deposit ratings is negative. On June 9, 2015, Standard & Poor s downgraded our long-term counterparty credit rating from A to BBB+. Fitch Ratings downgraded our long-term issuer default rating and senior debt ratings from A+ to A on May 19, 2015 and from A to A- on December 8, 2015. On September 29, 2015, DBRS Ratings downgraded our senior unsecured debt and deposit ratings from A+ to A. Recent credit rating downgrades have not materially affected our borrowing costs. However, any future downgrade could materially affect our funding costs, although we are unable to predict whether this would be the case or the extent of any such effect. The effect would depend on a number of factors including whether a downgrade affects financial institutions across the industry or on a regional basis, or is intended to reflect circumstances specific to us; any actions our senior management may take in advance of or in response to the downgrade; the willingness of counterparties to continue to do business with us; any impact of other market events and the state of the macroeconomic environment more generally.

Additionally, under many of the contracts governing derivative instruments to which we are a party, a downgrade could require us to post additional collateral, lead to terminations of contracts with accompanying payment obligations for us or give counterparties additional remedies. We take these effects into account in our liquidity stress testing analysis, as further described in Management Report: Risk Report: Liquidity Risk: Stress Testing and Scenario Analysis on page 181 of the Annual Report 2015.

Regulatory reforms enacted and proposed in response to weaknesses in the financial sector, together with increased regulatory scrutiny more generally, have created significant uncertainty for us and may adversely affect our business and ability to execute our strategic plans, and competent regulators may prohibit us from making dividend payments or payments on our regulatory capital instruments if we fail to comply with regulatory requirements.

In response to the global financial crisis and the European sovereign debt crisis, governments, regulatory authorities and others have made and continue to make proposals to reform the regulatory framework for the financial services industry to enhance its resilience against future crises. Legislation has been enacted and regulations have been issued in response to many of these proposals. The regulatory framework for financial institutions is likely to undergo further significant change. This creates significant uncertainty for us and the financial industry in general. The wide range of new laws and regulations or current proposals includes, among other things:

- provisions for more stringent regulatory capital, leverage and liquidity standards,
- restrictions on compensation practices,
- restrictions on proprietary trading and other investment activities,
- special bank levies and financial transaction taxes,
- recovery and resolution powers to intervene in a crisis including bail-in of creditors,
- large exposure limits,
- the creation of a single supervisory authority and a single resolution authority within the eurozone and any other participating member states,
- separation of certain businesses from deposit taking,
- stress testing and capital planning regimes,
- heightened reporting requirements, and
- reforms of derivatives, other financial instruments, investment products and market infrastructures.

In addition, regulatory scrutiny under existing laws and regulations has become more intense. The specific effects of a number of new laws and regulations remain uncertain because the drafting and implementation of these laws and regulations are still on-going. One example of these uncertain effects is the possibility of stricter rules for the measurement of risks based on several initiatives of the Basel Committee on Banking Supervision. Stricter rules could lead to a significant increase of our risk-weighted assets and, as a result, a higher capital demand, changes in our deductions from our regulatory capital and the imposition of additional capital charges to cover financial, market and operational risk. These requirements may be in addition to regulatory capital buffers that may also be increased or be in addition to those already imposed on us and could themselves materially increase our capital requirements.

Regulatory authorities have substantial discretion in how to regulate banks, and this discretion, and the means available to the regulators, have been steadily increasing during recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to ongoing or future crises, and may especially affect financial institutions such as us that are deemed to be systemically important.

In particular, the regulators with jurisdiction over us, including the ECB under the Single Supervisory Mechanism (also referred to as the SSM), may conduct stress tests and have discretion to impose capital surcharges on financial institutions for risks that are not otherwise recognized in risk-weighted assets or other surcharges depending on the individual situation of the bank and take or require other measures, such as restrictions on or changes to our business. Competent regulators may also, if we fail to comply with regulatory requirements, in particular with minimum capital requirements (including buffer requirements) or with liquidity requirements, or if there are shortcomings in our governance and risk management processes, prohibit us from making dividend payments to shareholders or distributions to holders of our regulatory capital instruments. Generally, a failure to comply with the new quantitative and qualitative regulatory requirements could have a material adverse effect on our business, financial condition and results of operations, including our ability to pay out dividends to shareholders or distributions on regulatory capital instruments.

European and German legislation regarding the recovery and resolution of banks and investment firms could, if steps were taken to ensure our resolvability or resolution measures were imposed on us, significantly affect our business operations, and lead to losses for our shareholders and creditors.

On January 1, 2015, the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz) came into force and transposed the European Union directive establishing a framework for the recovery and resolution of credit institutions and investment firms (referred to as the Bank Recovery and Resolution Directive or BRRD) into German law. In addition, starting on January 1, 2016, the Single Resolution Mechanism (referred to as the SRM) under the European Union regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms (referred to as the SRM Regulation) entered into force, which centralizes at a European level key competences and resources for managing the failure of any bank, such as us, within the eurozone and any other participating member states. In Germany, the German Resolution Mechanism Act (Abwicklungsmechanismusgesetz) adapted German bank resolution laws to the SRM.

The SRM Regulation and the German Recovery and Resolution Act require the preparation of recovery and resolution plans for banks and grant broad powers to public authorities to intervene in a bank which is failing or likely to fail. For a bank directly supervised by the ECB, such as us, the Single Resolution Board (referred to as the SRB) assesses its resolvability and may require legal and operational changes to the bank s structure to ensure its resolvability. Under the SRM, the SRB is responsible for adopting a resolution scheme for resolving banks pursuant to the SRM Regulation in close cooperation with the ECB, the European Commission, and the competent national resolution authorities, in the event that such bank is failing or likely to fail and certain other conditions are met. Competent national resolution authorities in the European Union member states that participate in the SRM must implement any such resolution decisions in accordance with the powers conferred on them by national laws implementing the BRRD. Resolution measures that could be imposed upon a failing bank under the SRM Regulation and the German Recovery and Resolution Act include a range of measures including the transfer of shares, assets or liabilities of the bank to another legal entity, the reduction, including to zero, of the nominal value of shares, the dilution of shareholders of a failing bank or the cancellation of shares outright, or the amendment, modification or variation of the terms of the bank s outstanding debt instruments, for example resulting in a deferral of payments or a reduction of the applicable interest rate. Furthermore, certain eligible unsecured liabilities, in particular certain senior unsecured debt instruments specified by the Resolution Mechanism Act, may be written down, including to zero, or converted into equity (commonly referred to as bail-in).

In order to facilitate the authorities bail-in powers, which became effective in Germany on January 1, 2015, banks are required to include in their eligible liabilities issued under non-EU law conditions that recognize the regulatory powers to write down or convert such liabilities as well as other resolution powers. The SRM Regulation, the BRRD and the Recovery and Resolution Act are intended to eliminate the need for public support of troubled banks. Therefore, financial public support for such banks, if any, would be used only as a last resort after having assessed and exploited, to the maximum extent practicable, the resolution powers, including a bail-in. The taking of actions to ensure our resolvability or the exercise of resolution powers by the competent resolution authority could materially affect our business operations and lead to a significant dilution of our shareholders or even the total loss of our shareholders or creditors investment.

Regulatory and legislative changes require us to maintain increased capital, in some cases (including the United States) applying capital rules to our local operations. These requirements may significantly affect our business model, financial condition and results of operations as well as the competitive environment generally. Any perceptions in the market that we may be unable to meet our capital requirements with an adequate buffer, or that we should maintain capital in excess of these requirements, could intensify the effect of these factors on our business and results.

In December 2010, the Basel Committee on Banking Supervision published a set of comprehensive changes to the capital adequacy framework, known as Basel 3, which have been implemented into European Union law by a legislative package referred to as CRR/CRD 4 . CRR/CRD 4 became effective on January 1, 2014, with some of the regulatory adjustments being gradually phased in through January 1, 2019. CRR/CRD 4 contains, among other things, detailed rules on regulatory banking capital, increased capital requirements and the introduction of additional capital buffers (which will increase from year to year) as well as new and tightened liquidity standards and the introduction of a leverage ratio not based upon risk-weightings. We are subject to additional capital buffers, including as a result of being designated a globally systemically important financial institution, or G-SIFI . In July 2013, U.S. federal bank regulators issued final rules implementing many elements of the Basel 3 capital adequacy framework in the United States. The impact and implementation of the Basel 3 capital adequacy framework is being assessed and monitored by regulators on a regular basis. Further revisions, such as stricter rules on the measurement of risks proposed by the Basel Committee on Banking Supervision, could further increase risk-weighted assets and the corresponding capital demand for banks.

Furthermore, under the SRM Regulation, the BRRD and the German Recovery and Resolution Act, banks in the European Union are required to meet at all times a robust minimum requirement for own funds and eligible liabilities (MREL) which is determined on a case-by-case basis by the competent resolution authority. In addition, on November 9, 2015, the Financial Stability Board (FSB) published a new standard that will require, when implemented as law, global systemically important banks (G-SIBs), such as us, to meet a new firm-specific minimum requirement for total loss-absorbing capacity (TLAC) starting on January 1, 2019. Also in order to facilitate the meeting of TLAC requirements by German banks, under the German Resolution Mechanism Act, certain specifically defined senior unsecured debt instruments issued by German banks such as us would from 2017 onwards rank junior to, without constituting subordinated debt, all other outstanding unsecured unsubordinated obligations of such bank. Both the TLAC and MREL requirements are specifically designed to require banks to maintain a sufficient amount of instruments which are eligible to absorb losses in resolution with the aim of ensuring that failing banks can be resolved without recourse to taxpayers money. On October 30, 2015, the Federal Reserve Board published proposed rules that would implement in the United States the FSB s TLAC standard. The proposed rules would require, among other things, the U.S. intermediate holding companies (IHCs) of non-U.S. G-SIBs, including our U.S. IHC, to maintain a minimum amount of internal TLAC and would separately require them to maintain a minimum amount of long-term debt. While the final impact of the MREL and TLAC requirements will depend on their final implementation, the need to comply with such requirements, and the change in ranking of certain debt instruments issued by us, may affect our business, financial condition and results of operation and in particular may increase our financing costs.

We may not have sufficient capital or other loss-absorbing liabilities to meet these increasing regulatory requirements. This could occur due to regulatory changes and other factors, such as the gradual phase out of our hybrid capital instruments as qualifying Additional Tier 1 (or AT1) capital or our inability to issue new securities which are recognized as regulatory capital or loss-absorbing liabilities under the new standards, due to an increase of risk-weighted assets based on more stringent rules for the measurement of risks or as a result of a continued decline in the value of the euro as compared to other currencies, due to stricter requirements for the compliance with the non-risk based leverage ratio, due to any substantial losses we may incur, which would reduce our retained earnings, a component of Common Equity Tier 1 capital, or due to a combination of these or other factors.

If we are unable to maintain sufficient capital to meet the minimum capital and buffer requirements established by regulators and expected by the market, we may become subject to restrictions on the pay-out of dividends, share buybacks and discretionary compensation payments. In addition, any requirement to increase risk-based capital ratios or the leverage ratio could lead us to adopt a strategy focusing on capital preservation and creation over revenue generation and profit growth, including the reduction in higher margin risk-weighted assets. If we are unable to increase our capital ratios to the regulatory minimum in such a case or by raising new capital through the capital markets, through the reduction of risk-weighted assets or through other means, we may be required to activate our group recovery plan. If these actions or other private or supervisory actions do not restore capital ratios to the levels required under the CRR/CRD 4 legislative package, and we are failing or likely to fail, competent authorities may apply resolution powers under the SRM Regulation, the German Recovery and Resolution Act and other applicable rules and regulations, which could lead to a significant dilution of our shareholders or even the total loss of our shareholders or creditors investment.

Moreover, we are required to hold and calculate capital separately for our operations in different jurisdictions. In the United States, the Federal Reserve Board has adopted rules that impose enhanced prudential standards on our U.S. operations. In February 2014, the Federal Reserve Board adopted U.S. prudential reforms (the FBO Rules) applicable to foreign banking organizations (FBOs). FBOs with U.S.$ 50 billion or more in U.S. non-branch assets, such as

us, will be required to establish or designate a separately capitalized top-tier U.S. IHC to hold substantially all of the FBO s ownership interests in U.S. subsidiaries by July 1, 2016. Beginning on that date, our IHC will be subject, on a consolidated basis, to the risk-based capital requirements under the U.S. Basel 3 capital adequacy framework, capital planning and stress testing requirements (on a phased-in basis), U.S. liquidity buffer requirements and other enhanced prudential standards comparable to those applicable to top-tier U.S. bank holding companies of a similar size. The Federal Reserve Board will have the authority to examine the IHC and any of its subsidiaries. U.S. leverage requirements applicable to the IHC will take effect beginning in January 2018. The Federal Reserve Board s proposal to require the IHC subsidiaries of non-U.S. G-SIBs to meet minimum internal TLAC and long-term debt requirements would also apply to our IHC, with a phase-in expected to begin in 2019. The Federal Reserve Board has also stated that it intends, through future rulemakings, to apply the Basel 3 liquidity coverage ratio and net stable funding ratio to the U.S. operations of some or all large foreign banking organizations. In September 2014, the Federal Reserve Board and other U.S. regulators approved a final rule implementing liquidity coverage ratio (LCR) requirements for certain U.S. banking holding companies and depositary institutions that are generally consistent with the Basel Committee s revised Basel 3 liquidity standards. The Federal Reserve Board has reaffirmed its plans to issue an additional rulemaking to address the application of an LCR requirement to the U.S. operations of some or all foreign banking organizations with U.S.$ 50 billion or more in combined U.S. assets which could impact the LCR requirements applicable to our IHC. Our combined U.S. operations, including our New York branch, will also be subject to additional quantitative requirements related to liquidity and risk management.

As of January 1, 2015, our existing U.S. bank holding company subsidiary, Deutsche Bank Trust Corporation, became subject to risk-based and leverage capital requirements, liquidity requirements, and other enhanced prudential standards applicable to large U.S. bank holding companies. Deutsche Bank Trust Corporation also became subject to capital planning and stress testing requirements on June 30, 2014. Deutsche Bank Trust Corporation will remain subject to the capital planning and stress testing requirements and certain enhanced prudential standards until corresponding requirements applicable to the IHC become effective. On March 5, 2015, the Federal Reserve Board released the results of the 2015 supervisory stress tests, which confirmed that Deutsche Bank Trust Corporation s capital ratios would significantly exceed the required minimum levels even in the severely adverse economic stress test scenario. The capital plan did not include any planned dividends or share repurchases. However, on March 11, 2015, the Federal Reserve Board announced that it objected on qualitative grounds to the capital plan submitted by Deutsche Bank Trust Corporation as part of the 2015 Comprehensive Capital Analysis and Review (CCAR) process, citing numerous and significant deficiencies across Deutsche Bank Trust Corporation s risk-identification, measurement, and aggregation processes, approaches to loss and revenue projection, and internal controls. Deutsche Bank Trust Corporation will submit its 2016 capital plan incorporating enhancements to its processes by April 5, 2016.

Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) and the implementing regulations require each bank holding company with assets of U.S.$ 50 billion or more, including Deutsche Bank AG, to prepare and submit annually a plan for the orderly resolution of subsidiaries and operations in the event of future material financial distress or failure (the Title I US Resolution Plan). For foreign-based covered companies such as Deutsche Bank AG, the Title I US Resolution Plan only relates to subsidiaries, branches, agencies and businesses that are domiciled in or conducted in whole or in material part in the United States. In addition to the Title I US Resolution Plan, in 2014, Deutsche Bank Trust Company Americas (DBTCA), one of our insured depository institutions (IDIs) in the United States, became subject to the FDIC s final rule requiring IDIs with total assets of U.S.$ 50 billion or more to submit periodically to the FDIC a plan for resolution in the event of failure (the IDI Rule). In 2014, we expanded our Title I US Resolution Plan to also be responsive to the IDI Rule requirements, and in 2015 DBTCA submitted a separate resolution plan under the IDI Rule.

These new U.S. rules and interpretations could require us to reduce assets held in the United States, inject capital into or otherwise change the structure of our U.S. operations. To the extent that we are required to reduce operations in the United States or deploy capital in the United States that could be deployed more profitably elsewhere, these requirements could have an adverse effect on our business, financial condition and results of operations.

Any increased capital or liquidity requirements, including those described above, could have adverse effects on our business, financial condition and results of operations, as well as on perceptions in the market of our stability, particularly if any such proposal becomes effective and results in our having to raise capital at a time when financial markets are distressed. If these regulatory requirements must be implemented more quickly than currently foreseen, we may decide that the quickest and most reliable path to compliance is to reduce the level of assets on our balance sheet, dispose of divisions or separate out certain activities or reduce or close down certain business lines. The effects on our capital raising efforts in such a case could be amplified due to the expectation that our competitors, at least those subject to the same or similar capital requirements, would likely also be required to raise capital at the same time. Moreover, some of our competitors, particularly those outside the European Union, may not face the same or similar regulations, which could put us at a competitive disadvantage.

In addition to these regulatory initiatives, market sentiment may encourage financial institutions such as us to maintain significantly more capital than regulatory-mandated minima, which could exacerbate the effects on us described above or, if we do not increase our capital to the encouraged levels, could lead to the perception in the market that we are undercapitalized relative to our peers generally.

It is unclear whether the increased U.S. capital and other requirements described above, as well as similar developments in other jurisdictions could lead to a fragmentation of supervision of global banks that could adversely affect our reliance on regulatory waivers allowing us to meet capital adequacy requirements, large exposure limits and certain organizational requirements on a consolidated basis only rather than on both a consolidated and non-consolidated basis. Should we no longer be entitled to rely on these waivers, we would have to adapt and take the steps necessary in order to meet regulatory capital requirements and other requirements on a consolidated as well as a non-consolidated basis, which could result also in significantly higher costs and potential effects on our profitability and dividend paying ability.

Against this backdrop, our results of operation and financial condition have been negatively affected in recent quarters by a large number of claims, disputes, legal proceedings and government investigations. The extent of our financial exposure to these and other matters could continue to be material and could substantially exceed the level of provisions that we established for such litigation, regulatory and similar matters. In this environment, our compliance costs have also substantially increased.

As a result of the substantial uncertainties with respect to our calculation of our capital requirements and the potential outflows in respect of litigation and enforcement matters, we have found it necessary and may find it necessary or desirable to raise additional capital in the future to maintain our capital at levels required by our regulators or viewed by market participants as necessary for our businesses in comparison with our international peers.

Our regulatory capital ratios and our funds available for distributions on our shares or regulatory capital instruments will be affected by our business decisions and, in making such decisions, our interests and those of the holders of such instruments may not be aligned, and we may take decisions in accordance with applicable law and the terms of the relevant instruments that result in no or lower payments being made on our shares or regulatory capital instruments.

Our regulatory capital ratios are affected by a number of factors, including decisions we make relating to our businesses and operations as well as the management of our capital position, of our risk-weighted assets and of our balance sheet in general, and external factors, such as regulations regarding the risk weightings we are permitted to allocate to our assets, commercial and market risks or the costs of our legal proceedings. While we and our management are required to take into account a broad range of considerations in our and their managerial decisions, including the interests of the Bank as a regulated institution and those of our shareholders and creditors, particularly in times of weak earnings and increasing capital requirements, the regulatory requirements to build capital may become paramount. Accordingly, in making decisions in respect of our capital management, we are not required to adhere to the interests of the holders of instruments we have issued that qualify for inclusion in our regulatory capital, such as our Additional Tier 1 capital instruments. We may decide not to take any measures, including increasing our capital at a time when it is feasible to do so (through securities issuances or otherwise), even if our failure to take such an action would result in a non-payment or a writedown or other recovery- or resolution-related measure in respect of any of our

regulatory capital instruments. Our decisions could cause the holders of such regulatory capital instruments to lose all or part of the value of their investments in these instruments due to their effect on our regulatory capital ratios, and such holders will not have any claim against us relating to such decisions, even if they result in a non-payment or a writedown or other recovery- or resolution-related measure in respect of such instruments they hold.

In addition, our annual profit and distributable reserves form an important part of the funds available for us to pay dividends on our shares and make payments on our other regulatory capital instruments, as determined in the case of each such instrument by its terms or by operation of law, and any adverse change in our financial prospects, financial position or profitability, or our distributable reserves, each as calculated on an unconsolidated basis, may have a material adverse effect on our ability to make dividend or other payments on these instruments. For example, as part of the implementation of our Strategy 2020, we recorded large impairments that in some cases reduced the carrying value of subsidiaries on our unconsolidated balance sheet and reduced profits and distributable reserves in 2015. While we plan to make all scheduled payments calculated by reference to our 2015 results on our regulatory capital instruments other than our shares, future impairments or other events that reduce our profit or distributable reserves on an unconsolidated basis could lead us to be unable to make such payments in respect of future years in part or at all.

In addition, German law places limits on the distribution of annual profits and otherwise-distributable reserves, as calculated on an unconsolidated basis, to be distributed to our shareholders or the holders of our regulatory capital instruments, such as our Additional Tier 1 capital instruments. Our management has, subject to applicable law, broad discretion under the applicable accounting principles to influence all amounts relevant for calculating funds available for distribution. Such decisions may impact our ability to make dividend or other payments under the terms of our regulatory capital instruments.

As we have previously announced in connection with the implementation of our Strategy 2020, we do not expect to pay dividends on our shares in respect of either the 2015 or the 2016 fiscal years.

Legislation in the United States and in Germany as well as proposals in the European Union regarding the prohibition of proprietary trading or its separation from the deposit-taking business may materially affect our business model.

On December 10, 2013, U.S. regulators released the final version of the rules implementing the Volcker Rule , as required by the Dodd-Frank Act. The final rules prohibit U.S. insured depository institutions and companies affiliated with U.S. insured depository institutions (such as us) from engaging in short-term proprietary trading of certain securities, derivatives, commodity futures and options on these instruments, for their own account. The final rules also impose limits on investments in, and other relationships with, hedge funds, private equity funds and other private funds and limit the ability of banking entities and their affiliates to enter into certain transactions with such funds with which they or their affiliates have certain relationships. The Volcker Rule requires banking entities to establish comprehensive compliance programs designed to help ensure and monitor compliance with restrictions under the Volcker Rule. In December 2013, the Federal Reserve Board extended the end of the conformance period for the Volcker Rule generally until July 21, 2015. In December 2014, the Federal Reserve Board issued an order extending the Volcker Rule s general conformance period until July 21, 2016 for investments in and relationships with covered funds and certain foreign funds that were in place on or prior to December 31, 2013 (legacy covered funds), and stated its intention to grant a final one-year extension of the general conformance period, to July 21, 2017, for banking entities to conform ownership interests in and relationships with legacy covered funds. The extension of the conformance period does not apply to the Volcker Rule s prohibitions on proprietary trading or to any investments in and relationships with covered funds made or entered into after December 31, 2013.

In Germany, the German Act on the Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups (Trennbankengesetz), referred to as the Separation Act , regulates the activities of banks that take deposits or other repayable funds from the public and lend them for their own account (referred to as CRR Banks). CRR Banks are required to cease or transfer certain activities deemed to be high risk to a financial trading institution, which may be established within the same banking group, if certain independence requirements are met. Banks concerned, such as us, generally have until July 1, 2016 to cease or transfer the relevant business activities, unless the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) extends this period. For Deutsche Bank Group, the period to cease or transfer the activities concerned was extended by the BaFin until June 30, 2017.

On January 29, 2014, the European Commission published a draft Regulation on Structural Measures Improving the Resilience of EU Banks and Transparency of the Financial Sector, referred to as the Proposed Regulation , which, if enacted as proposed, would prohibit certain large banks from engaging in proprietary trading in financial instruments and commodities and investing in hedge funds or other entities that engage in proprietary trading, for the sole purpose of making a profit for its own account. The Proposed Regulation would also grant supervisors broad powers to require these banks to separate certain activities deemed to be high risk from other businesses, such as deposit-taking and lending. Once enacted, the Proposed Regulation might overrule certain requirements set out in the Separation Act at the national level. The ultimate impact on us will depend on the content of the final version of the Proposed Regulation.

The Volcker Rule, the Separation Act and the Proposed Regulation may have significant implications for the future structure and strategy of our Group, and may increase our Group s funding costs. This could adversely affect our business, financial condition and results of operations.

Other regulatory reforms adopted or proposed in the wake of the financial crisis for example, extensive new regulations governing our derivatives activities, compensation, bank levies, deposit protection or a possible financial transaction tax may materially increase our operating costs and negatively impact our business model.

On August 16, 2012, the EU Regulation on over-the-counter (OTC) derivatives, central counterparties and trade repositories, referred to as EMIR, entered into force. While a number of the compliance requirements introduced by EMIR already apply, the European Securities and Markets Authority (ESMA) is still in the process of finalizing some of the implementing rules mandated by EMIR. EMIR introduced a number of requirements, including clearing obligations for certain classes of OTC derivatives and various reporting and disclosure obligations. Although some of the particular effects brought about by EMIR are not yet fully foreseeable, many of its elements have led and may lead to changes which may negatively impact our profit margins, require us to adjust our business practices or increase our costs (including compliance costs). The new Markets in Financial Instruments Directive (which comprises a regulation (MiFIR) and a directive (MiFID II)) introduces, among other changes, a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardized. Originally, most requirements introduced by MiFID II/MiFIR were foreseen to be applicable to us starting on January 3, 2017. On February 10, 2016, however, the European Commission published proposals to delay the application of MiFID II/MiFIR by one year to January 3, 2018. This needs now to be agreed by the bodies of the European Union through the co-decision process. MiFID II needs yet to be transposed into national law, and ESMA and the European Commission yet have to finalize several related implementing regulations. We will also be impacted by the BCBS-IOSCO final minimum standards for margin requirements for non-centrally cleared derivatives, for which enabling legislation exists in the EU (EMIR) but where much of the impact depends on how these requirements are implemented.

In the United States, the Dodd-Frank Act has numerous provisions that may affect our operations. Pursuant to regulations implementing provisions of the Dodd-Frank Act, we registered as a swap dealer with the U.S. Commodity Futures Trading Commission (CFTC) and became subject to the CFTC s extensive oversight. Regulation of swap dealers by the CFTC imposes numerous corporate governance, business conduct, capital, margin, reporting, clearing, execution and other regulatory requirements on us. It also requires us to comply with certain U.S. rules in some circumstances with respect to transactions conducted outside of the United States or with non-U.S. persons. Although the coverage of EMIR and CFTC regulations implementing the Dodd-Frank Act is in many ways similar, certain swaps may be subject to both regulatory regimes to a significant extent. However, the CFTC s guidance on cross-border swaps regulation, as well as the margin requirements recently adopted by the U.S. bank regulatory agencies and the CFTC, may allow us to comply with some, but not all, U.S. regulatory requirements on a substituted basis by complying with EMIR and MiFID. The new requirements under the Dodd-Frank Act may adversely affect our derivatives business and make us less competitive, especially as compared to competitors not subject to such regulation. Additionally, under the Dodd-Frank Act, security-based swaps will be subject to a standalone regulatory regime under the jurisdiction of the U.S. Securities and Exchange Commission (SEC). The SEC is in the early stages of finalizing rules for its security-based swap regime but it is expected to be parallel to, but not identical to, the CFTC s regulation of swaps. This may impose further regulation of our derivatives business.

In addition, CRD 4 provides for executive compensation reforms including caps on bonuses that may be awarded to material risk takers and other employees as defined in CRD 4, the German Banking Act and other applicable rules and regulations such as the Remuneration Regulation for Institutions (Institutsvergütungsverordnung). The compensation reforms of CRD 4, including any guidelines issued by the EBA to further implement them, could put us at a disadvantage to our competitors in attracting and retaining talented employees, especially compared to those outside the European Union that are not subject to these caps.

Bank levies also have been introduced in some countries including Germany and the United Kingdom and other countries. We accrued 197 million for bank levies in 2013, 342 million in 2014 and 653 million in 2015. We will also be required to contribute substantially to the single resolution fund under the SRM (which is expected to reach a target size of approximately 55 billion by January 1, 2024, of which approximately 15 billion is expected to be contributed by German banks) and the statutory deposit guarantee schemes under the recast European Union Deposit Guarantee Schemes Directive. Generally, however, the total impact of these future levies cannot currently be quantified and they may have a material adverse effect on our business, financial condition and results of operations in future periods.

Separately, on January 22, 2013, the Council of the European Union adopted a decision authorizing eleven EU member states (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain) to proceed with the introduction of a financial transaction tax under the European Union s enhanced cooperation procedure . The European Commission on February 14, 2013 adopted a draft directive for the implementation of the financial transaction tax. Since then, the introduction of the financial transaction tax is subject to ongoing controversial discussions at the European Union level with the result that the final scope, design and entry into force of the financial transaction tax are uncertain. Estonia is understood to be no longer participating. Depending on the final details, the proposed financial transaction tax could have a materially adverse effect on our profits and business. Different forms of national financial transaction taxes have already been implemented in a number of European jurisdictions, including France and Italy, and these taxes may result in compliance costs as well as market consequences which may affect our revenues.

Adverse market conditions, historically low prices, volatility and cautious investor sentiment have affected and may in the future materially and adversely affect our revenues and profits, particularly in our investment banking, brokerage and other commission- and fee-based businesses. As a result, we have in the past incurred and may in the future incur significant losses from our trading and investment activities.

As a global investment bank, we have significant exposure to the financial markets and are more at risk from adverse developments in the financial markets than are institutions engaged predominantly in traditional banking activities. Sustained market declines have in the past caused and can in the future cause our revenues to decline, and, if we are unable to reduce our expenses at the same pace, can cause our profitability to erode or cause us to show material losses. Volatility can also adversely affect us, by causing the value of financial assets we hold to decline or the expense of hedging our risks to rise. Reduced customer activity can also lead to lower revenues in our flow business.

Specifically, our investment banking revenues, in the form of financial advisory and underwriting fees, directly relate to the number and size of the transactions in which we participate and are susceptible to adverse effects from sustained market downturns. These fees and other income are generally linked to the value of the underlying transactions and therefore can decline with asset values. In addition, periods of market decline and uncertainty tend to dampen client appetite for market and credit risk, a critical driver of transaction volumes and investment banking revenues, especially transactions with higher margins. In recent and other times in the past, decreased client appetite for risk has led to lower levels of activity and lower levels of profitability in our Corporate Banking & Securities Corporate Division. Our revenues and profitability could sustain material adverse effects from a significant reduction in the number or size of debt and equity offerings and merger and acquisition transactions.

Market downturns also have led and may in the future lead to declines in the volume of transactions that we execute for our clients and, therefore, to declines in our noninterest income. In addition, because the fees that we charge for managing our clients portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of our clients portfolios or increases the amount of withdrawals reduces the revenues we receive from our asset management and private banking businesses. Even in the absence of a market downturn, below-market or negative performance by our investment funds may result in increased withdrawals and reduced inflows, which would reduce the revenue we receive from our asset management business. While our clients would be responsible for losses we incur in taking positions for their accounts, we may be exposed to additional credit risk as a result of their need to cover the losses where we do not hold adequate collateral or cannot realize it. Our business may also suffer if our clients lose money and we lose the confidence of clients in our products and services.

In addition, the revenues and profits we derive from many of our trading and investment positions and our transactions in connection with them can be directly and negatively impacted by market prices, which have been volatile in recent years. In each of the product and business lines in which we enter into these trading and investment positions, part of our business entails making assessments about the financial markets and trends in them. When we own assets, market price declines can expose us to losses. Many of the more sophisticated transactions of our Corporate Banking & Securities Corporate Division and our Non-Core Operations Unit are designed to profit from price movements and differences among prices. If prices move in a way we have not anticipated, we may experience losses. Also, when markets are volatile, the assessments we have made may prove to lead to lower revenues or profits, or may lead to losses, on the related transactions and positions. In addition, we commit capital and take market risk to facilitate certain capital markets transactions; doing so can result in losses as well as income volatility. Such losses may especially occur on assets we hold for which there are not very liquid markets initially. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that we calculate using models other than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses we did not anticipate. We can also be adversely affected if general perceptions of risk cause uncertain investors to remain on the sidelines of the market, curtailing their activity and in turn reducing the levels of activity in those of our businesses dependent on transaction flow.

We announced the next phase of our strategy, Strategy 2020, in April 2015 and gave further details on it in October 2015. If we are unable to implement our strategic plans successfully, we may be unable to achieve our financial objectives, or we may incur losses or low profitability or erosions of our capital base, and our financial condition, results of operations and share price may be materially and adversely affected.

In April 2015, we announced the next phase of our strategy, Strategy 2020, and gave further details on it in October 2015. Among our Strategy 2020 plans are to become simpler and more efficient by focusing on the markets, products and clients where we are better positioned to succeed, to become less risky by modernizing our technology and by withdrawing from higher-risk client relationships, to become better capitalized and to run the Bank in a more disciplined way. We also announced specific execution measures for each business division and updated our financial targets to highlight the financial objectives of Strategy 2020. The details of Strategy 2020 are set forth in Item 4: Information on the Company Business Overview Our Business Strategy.

Our Strategy 2020 goals are subject to various internal and external factors including market, regulatory, economic and political uncertainties, and to limitations relating to our operating model. These could negatively impact or prevent the implementation of our strategic goals or the realization of their anticipated benefits. Economic uncertainties such as the recurrence of extreme turbulence in the markets; weakness in global, regional and national economic conditions; the continuation of the low interest rate environment; increased competition for business; and political instability, especially in Europe, may impact our ability to achieve our strategic goals. Regulatory changes could also adversely impact our ability to achieve our strategic aims. In particular, regulators could demand changes to our business model or organization that could reduce our profitability, or we may be forced to make changes that reduce our profitability in an effort to remain compliant with law and regulation. We are also involved in numerous litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside of Germany, especially in the U.S. Such matters are subject to many uncertainties. While we have resolved a number of important legal matters and made progress on others, we expect the litigation environment to continue to be challenging. If litigation and regulatory matters continue to occur at the same rate and magnitude as in recent years, we may not be able to achieve our Strategy 2020 aspirations.

In particular, macroeconomic risks and the risks relating to regulatory changes and our legal proceedings may impact our ability to meet our financial and capital targets articulated as part of Strategy 2020. As financial targets, we are aiming to achieve a cost-income ratio of approximately 70 % by 2018 and approximately 65 % by 2020 and a post-tax return on tangible equity of greater than 10 % by 2018. Our capital targets comprise a Common Equity Tier 1 capital ratio of at least 12.5 % from the end of 2018 and a leverage ratio of at least 4.5 % at the end of 2018 and at least 5 % at the end of 2020. Strategy 2020 is based on an ambitious financial plan with, we believe, some buffer for downside scenarios and contingencies. However, the base case scenario for our financial and capital plan includes revenue growth estimates which are dependent on positive macroeconomic developments. Stagnation or a downturn in the macroeconomic environment could significantly impact our ability to generate the revenue growth necessary to achieve these Strategy 2020 financial and capital targets. Furthermore, even if we are able to grow our revenues in accordance with our strategic plans, the materialization of any of the regulatory changes or the costs for us in terms of the outcomes or necessary changes to our businesses of the litigation and regulatory matters mentioned above, or any other unforeseen risk, could adversely impact our net income and thereby cause us to fall short of our Strategy 2020 financial and capital targets.

Our capital targets are further dependent on our ability to reduce the size of our balance sheet in accordance with Strategy 2020. We aim to reduce risk-weighted assets (RWAs) by approximately 90 billion to approximately 320 billion by 2018 and 310 billion by 2020, excluding RWA inflation due to stricter regulatory requirements, which we expect will amount to at least 100 billion by 2019/2020. Key components of executing this plan are the disposal of Postbank, the sale of our noncontrolling 19.99 % stake in Hua Xia Bank and the substantial wind-down of the Non-Core Operations Unit (NCOU) as well as the exit of selected Global Markets businesses. Difficult market conditions or regulatory uncertainties may prevent us from being able to dispose of assets at all, or at prices we would consider to be reasonable, thereby causing us to either sell these assets for losses (or losses that are higher than expected) or hold these assets for a longer period of time than desired or planned. If we cannot reduce our RWAs according to plan, we may not be able to achieve the capital targets set out under Strategy 2020.

Strategy 2020 s financial plan also includes substantial cost reduction targets, which we plan to achieve through efficiency gains from implementation of various initiatives. By 2018, we aim to produce net savings in our adjusted costs (defined as total noninterest expenses excluding restructuring and severance, litigation, impairment of goodwill and other intangible assets and policyholder benefits and claims) of approximately 1.0 to 1.5 billion, against restructuring and severance costs of approximately 3.0 to 3.5 billion, such that we would reduce total adjusted costs to below 22 billion. Our planned exit from certain businesses and clients may entail higher costs or take more time than anticipated and thereby impede us from achieving the cost reductions we have targeted. Furthermore, additional costs could arise from any number of anticipated or unanticipated developments, such as costs relating to compliance with additional regulatory requirements and increased regulatory charges. Our estimated restructuring and severance charges could ultimately run higher than anticipated, preventing us from achieving our adjusted cost target. Any failure to meet our cost reduction targets may also affect our ability to achieve our target cost-income ratio of approximately 70 % by 2018 and approximately 65 % by 2020.

Our ability to implement Strategy 2020 and meet its stated targets is based on a number of additional key assumptions relating to our business and operating model:

We assume that we will be able to overcome significant challenges arising from our business model. We continue to rely on our trading and markets businesses as a primary source of profit. However, these flow businesses, in particular our fixed income securities franchise, have continued to face an extremely challenging environment, caused by cyclical uncertainty about the low interest rate environment, central bank intervention in markets and the gradual cessation thereof and overall sluggish economic growth. We are substantially dependent on the performance of our flow businesses, and this dependency exceeds that of many of our competitors. While some of our businesses can profit from market volatility, many businesses dependent on client flow are increasingly challenged in uncertain times. Under Strategy 2020, we intend to retreat from a number of businesses that focused on riskier asset classes or strategies. In addition, some of our businesses may be resistant to change, posing risks to the implementation of changes to our business model. Should we be unable to implement this new business model successfully, or should the new business model fail to be profitable, we may not be able to achieve some or all of Strategy 2020 s goals.

We assume that we will be able significantly to upgrade and reduce the complexity of our infrastructure. We currently operate a highly complex infrastructure, which can compromise the quality of the overall control environment. Establishing a more efficient bank with a strong control environment depends on successfully streamlining and simplifying the IT landscape as well as cultural change. Furthermore, capital and execution plans require robust monitoring and tracking that is dependent on accurate, timely and relevant data. We have undertaken initiatives designed to address existing challenges in our IT and data architecture as well as in our data aggregation capabilities. Potential delays and challenges to implementing these initiatives would impact our ability to achieve efficiency improvements and enhance the control environment, thereby affecting our ability to implement Strategy 2020 successfully.

We assume that we will be able to improve our internal control environment. A robust internal control framework is necessary to achieve Strategy 2020 s ambitions. We are undertaking several initiatives to strengthen our controls, enhance the efficacy of our safeguards and manage non-financial risks, in particular as a response to the circumstances that have resulted in the numerous litigation and regulatory investigations to which the Bank has recently been subject. However, we can provide no assurance that an improved control environment will result in fewer litigations or investigations in the future. Furthermore, implementation of enhanced controls may result in higher than expected costs of regulatory compliance and offset efficiency gains, and thereby affect our ability to implement Strategy 2020 successfully.

We assume that the buffers we have included in our Strategy 2020 targets will be sufficient to reflect a plausible range of downside scenarios and that absent more substantial disclocations we will be able to achieve the targets. However, the buffers that we have provided in order to achieve these goals may prove to be insufficient in a downside scenario. Should this risk materialize as a result of the macroeconomic, regulatory, litigation or other factors discussed above, we may fail to meet our Strategy 2020 targets.

If we fail to implement our strategic initiatives in whole or in part or should the initiatives that are implemented fail to produce the anticipated benefits, or should the costs we incur to implement our initiatives exceed the amounts anticipated, or should we fail to achieve the publicly communicated targets we have set for implementation of these initiatives in 2016, we may fail to achieve our financial objectives, or incur losses or low profitability or erosions of our capital base, and our financial condition, results of operations and share price may be materially and adversely affected.

As part of Strategy 2020, we announced our intention to dispose of Deutsche Postbank AG (together with its subsidiaries, Postbank). We may have difficulties disposing of Postbank at a favorable price or on favorable terms, or at all, and may experience material losses from our holding or disposition of Postbank. We may remain subject to the risks of or other obligations associated with Postbank following a disposal.

As part of our Strategy 2020, we announced our intention to dispose of Postbank. Such disposal may occur by means of a sale of all or part of our holding in Postbank in a public offering of Postbank s shares or to one or more purchasers in a private transaction. Deutsche Postbank AG became a consolidated, majority-owned subsidiary of ours in December 2010 following a public takeover offer by us. In 2012 Deutsche Postbank AG and a wholly-owned subsidiary of ours entered into a domination and profit and loss transfer agreement. As a preparatory step for the planned disposal, in December 2015, Deutsche Postbank AG, became a wholly owned subsidiary of ours, following a squeeze-out of minority shareholders.

We may have difficulties disposing of Postbank at a favorable price or on favorable terms or timing, or at all. Our ability to dispose of Postbank will, among other things, depend on economic and market conditions, particularly those relevant to the banking industry in Germany. Our ability to dispose of Postbank will also depend on the financial position, results of operations and business prospects of Postbank. If economic or market conditions, or the financial position, results of operations and business prospects of Postbank, are unfavorable, we may not be able to dispose of all or a portion of Postbank at a favorable price or on favorable terms or timing, or at all. A disposal of Postbank may require the approval of relevant regulators in the European Union and elsewhere, which may not be received on favorable terms or at all or which may be subject to disadvantageous conditions. During the period in which Postbank has been a subsidiary of ours, we have sought to integrate certain of its operations into ours and vice versa, and to develop intensified mutual service relationships. We have and will need to make investments in Postbank or incur other expenditures in preparation for its disposal, including the separation of contractual interlinkages, businesses, IT systems and other functions. We may need to make investments in Deutsche Bank to ensure the separation from Postbank and to re-

establish certain systems and other functions. To prepare Postbank for disposal, we will need to enable businesses and functions at Postbank, particularly those that rely on support from Deutsche Bank, to operate on a stand-alone basis, while maintaining efficiency, service quality and compliance with relevant regulations. In addition, prior to the disposal of Postbank we may terminate certain financial transactions with Postbank, transfer certain legal entities to Postbank, and terminate certain contractual relationships. Execution of these preparatory measures is required before a disposal can take place, and a failure to do so properly could hinder the disposal or give rise to financial losses.

Prior to its disposal, we remain exposed to the risks of Postbank and could be adversely affected by losses or obligations incurred by it, which losses or obligations could also adversely affect our ability to effect the disposal. In the event of a disposal of only part of our interest in Postbank, we would remain exposed to the economic risks of the portion of our interest that we did not dispose. In addition, we may remain exposed to certain of the risks of Postbank even following disposal of all or part of our interest in Postbank, if the terms of the sale, our previous relationship with Postbank, or applicable law, subject us to temporary or continuing obligations.

Any failure to dispose of Postbank on favorable terms, or any write-down for Postbank, whether upon its sale or otherwise, could have a material adverse effect on our net assets, financial condition and results of operations.

We may have difficulties selling companies, businesses or assets at favorable prices or at all and may experience material losses from these assets and other investments irrespective of market developments.

As part of Strategy 2020, we are seeking to reduce our assets, including in particular those of our Non-Core Operations Unit, but also those in our Global Markets business division. Such sales are part of our strategy to simplify and focus our business and to meet or exceed the new capital requirements by reducing risk-weighted assets and thereby improving our capital ratios. This strategy may prove difficult in the current and future market environment as many of our competitors are also seeking to dispose of assets to improve their capital ratios. We have already sold a substantial portion of our non-core assets, and our remaining non-core assets may be particularly difficult for us to sell as quickly as we have expected at prices we deem acceptable. Unfavorable business or market conditions may make it difficult for us to sell such assets at favorable prices, or may preclude such a sale altogether.

In addition, we have made significant investments in individual companies and have other assets that are not part of our core business such as our stake in Maher Terminals. While our intention remains to sell or otherwise reduce the amount and the risk of these exposures, if present market conditions persist, such sales will be difficult and may be delayed. Also, we are often a passive investor in such investments and as such we are reliant on the actions of third parties. This may also have an impact on our ability to effect sales or other risk reducing transactions with respect to such investments.

We operate in a highly and increasingly regulated and litigious environment, potentially exposing us to liability and other costs, the amounts of which may be substantial and difficult to estimate, as well as to legal and regulatory sanctions and reputational harm.

The financial services industry is among the most highly regulated industries. Our operations throughout the world are regulated and supervised by the central banks and regulatory authorities in the jurisdictions in which we operate. In recent years, regulation and supervision in a number of areas has increased, and regulators, law enforcement authorities, governmental bodies and others have sought to subject financial services providers to increasing oversight and scrutiny, which in turn has led to additional regulatory investigations or enforcement actions. This trend has accelerated markedly as a result of the global financial crisis and the European sovereign debt crisis. There has been a steep escalation in the severity of the terms which regulators and law enforcement authorities have required to settle legal and regulatory proceedings against financial institutions, with recent settlements including unprecedented monetary penalties as well as criminal sanctions. As a result, we may continue to be subject to increasing levels of liability and regulatory sanctions, and may be required to make greater expenditures and devote additional resources to addressing these liabilities and sanctions. Regulatory sanctions may include status changes to local licenses or orders to discontinue certain business practices.

We and our subsidiaries are involved in various litigation proceedings, including civil class action lawsuits, arbitration proceedings and other disputes with third parties, as well as regulatory proceedings and investigations by both civil and criminal authorities in jurisdictions around the world. We expect that we will continue to experience a high level of litigation, regulatory proceedings and investigations. Litigation and regulatory matters are subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. We may settle litigation or regulatory proceedings prior to a final judgment or determination of liability. We may do so for a number of reasons, including to avoid the cost, management efforts or negative business, regulatory or reputational consequences of continuing to contest liability, even when we believe we have valid defenses to liability. We may also do so when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, we may, for similar reasons, reimburse counterparties for their losses even in situations where we do not believe that we are legally compelled to do so. The financial impact of legal risks might be considerable but may be hard or impossible to estimate and to quantify, so that amounts eventually paid may exceed the amount of provisions made or contingent liabilities assessed for such risks.

Actions currently pending against us or our current or former employees may not only result in judgments, settlements, fines or penalties, but may also cause substantial reputational harm to us. The risk of damage to our reputation arising from such proceedings is also hard or impossible to quantify. For example, we are unable to quantify the harm to our reputation that could arise from the investigation by the public prosecutor for the City of Munich of statements made by certain former and present management board members in connection with the litigation relating to the former Kirch Group.

Regulators have increasingly sought admissions of wrongdoing in connection with settlement of matters brought by them. This could lead to increased exposure in subsequent civil litigation or in consequences under so-called "bad actor" laws, in which persons or entities determined to have committed offenses under some laws can be subject to limitations on business activities under other laws, as well as adverse reputational consequences. In addition, the U.S. Department of Justice (DOJ) conditions the granting of cooperation credit in civil and criminal investigations of corporate wrongdoing on the company involved having provided to investigators all relevant facts relating to the individuals responsible for the alleged misconduct. This policy may result in increased fines and penalties if the DOJ determines that we have not provided sufficient information about applicable individuals in connection with an investigation. Other governmental authorities could adopt similar policies.

In addition, the financial impact of legal risks arising out of matters similar to some of those we face have been very large for a number of participants in the financial services industry, with fines and settlement payments greatly exceeding what market participants may have expected and, as noted above, escalating steeply over the last year to unprecedented levels. The experience of others, including settlement terms, in similar cases is among the factors we take into consideration in determining the level of provisions we maintain in respect of these legal risks. Recent developments in cases involving other financial institutions have led to greater uncertainty as to the predictability of outcomes and could lead us to add to our provisions. Moreover, the costs of our investigations and defenses relating to these matters are themselves substantial. Further uncertainty may arise as a result of a lack of coordination among regulators from different jurisdictions, which may make it difficult for us to reach concurrent settlements with each regulator. Should we be subject to financial impacts arising out of litigation and regulatory matters to which we are subject in excess of those we have calculated in accordance with our expectations and the relevant accounting rules and contrary to our publicly communicated expectation that the overall financial impact in 2016 will be below the 2015 levels, our provisions in respect of such risks may prove to be materially insufficient to cover these impacts. This could have a material adverse effect on our results of operations, financial condition or reputation.

Regulatory and law enforcement agencies globally are currently investigating us in connection with misconduct relating to manipulation of foreign exchange rates. The extent of our financial exposure to these matters could be material, and our reputation may suffer material harm as a result.

We have received requests for information from certain regulatory and law enforcement agencies globally who are investigating trading, and various other aspects, of the foreign exchange market. We are cooperating with these investigations. The investigations underway have the potential to result in the imposition of significant financial penalties and

other consequences for us. Relatedly, we are conducting our own internal global review of foreign exchange trading and other aspects of our foreign exchange business.

We have also been named as a defendant in multiple putative class actions brought in the U.S. District Court for the Southern District of New York alleging antitrust and U.S. Commodity Exchange Act claims relating to the alleged manipulation of foreign exchange rates. There are now three actions pending. A pending consolidated action has been brought on behalf of putative classes of over-the-counter traders and central-exchange traders and alleges illegal agreements to restrain competition with respect to and to manipulate both benchmark rates and spot rates, particularly the spreads quoted on those spot rates; the complaint further alleges that those supposed conspiracies, in turn, resulted in artificial prices on centralized exchanges for foreign exchange futures and options. A second action tracks the allegations in the consolidated action and asserts that such purported conduct gave rise to, and resulted in a breach of, defendants fiduciary duties under the U.S. Employment Retirement Income Security Act of 1974 (ERISA). The third putative class action alleges that we rejected FX orders placed over electronic trading platforms that were later filled at prices less favorable to putative class members. Plaintiff has asserted claims for breach of contract, quasi-contractual claims, and claims under New York statutory law. We have moved or intend to move to dismiss these actions.

We have also been named as a defendant in two Canadian class proceedings brought in the provinces of Ontario and Quebec. Filed on September 10, 2015, these class actions assert factual allegations similar to those made in the consolidated action in the United States and seek damages pursuant to the Canadian Competition Act as well as other causes of action.

Many of these matters are not advanced enough to estimate their outcome or any fines that may be levied by governmental bodies or damages that may be incurred from private litigation. A number of other financial institutions are also currently being investigated. Any settlements by these institutions may adversely affect the outcomes for other financial institutions, such as us, in similar actions, especially as large settlements may be used as the basis or template for other settlements. As a result, these matters may expose us to substantial monetary damages and defense costs in addition to criminal and civil penalties, and they could accordingly have a material adverse effect on our results of operations, financial condition or reputation.

We are currently the subject of regulatory and criminal industry-wide investigations relating to interbank offered rates, as well as civil actions. Due to a number of uncertainties, including those related to the high profile of the matters and other banks settlement negotiations, the eventual outcome of these matters is unpredictable, and may materially and adversely affect our results of operations, financial condition and reputation.

We have received subpoenas and requests for information from various regulatory and law enforcement agencies in Europe, North America and Asia/Pacific, including various U.S. states attorneys general, in connection with industry-wide investigations concerning the setting of London Interbank Offered Rate (LIBOR), Euro Interbank Offered Rate (EURIBOR), Tokyo Interbank Offered Rate (TIBOR) and other interbank offered rates. We are cooperating with these investigations.

The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for the Bank.

As previously reported, we reached a settlement with the European Commission on December 4, 2013 as part of a collective settlement to resolve the European Commission s investigations in relation to anticompetitive conduct in the trading of Euro interest rate derivatives and Yen interest rate derivatives. Under the terms of the settlement agreement, we agreed to pay 725 million in total.

Also as previously reported, on April 23, 2015, we entered into separate settlements with the U.S. Department of Justice (DOJ), the U.S. Commodity Futures Trading Commission (CFTC), the U.K. Financial Conduct Authority (FCA), and the New York State Department of Financial Services (NYSDFS) to resolve investigations into misconduct concerning the setting of LIBOR, EURIBOR, and TIBOR. Under the terms of these agreements, we agreed to pay penalties of U.S.$ 2.175 billion to the DOJ, CFTC and NYSDFS and GBP 226.8 million to the FCA. The agreements also contained provisions requiring various undertakings with respect to our benchmark rate submissions in the future, as well as provisions requiring the appointment of an independent corporate monitor. We were also required to take further disciplinary action against certain employees who were working at the Bank at the time of the agreements.

As part of the resolution with the DOJ, we entered into a Deferred Prosecution Agreement with a three-year term pursuant to which it agreed (among other things) to the filing of a two-count criminal Information in the U.S. District Court for the District of Connecticut charging us with one count of wire fraud and one count of price-fixing, in violation of the Sherman Act. As part of the agreement, DB Group Services (UK) Ltd. (an indirectly held, wholly-owned subsidiary of Deutsche Bank AG) entered into a Plea Agreement with the DOJ, pursuant to which the company pled guilty to a one-count criminal Information filed in the same court and charging the company with wire fraud. A fine of U.S.$ 150 million, which is included in the U.S.$ 2.175 billion in total penalties referenced above, is (subject to court approval) expected to be paid by Deutsche Bank following sentencing of DB Group Services (UK) Ltd., expected in October 2016.

Factual admissions we have made in connection with these settlements could make it difficult for us to defend against pending and future claims.

Other regulatory investigations of us concerning the setting of various interbank offered rates remain ongoing, and we remain exposed to further regulatory action.

In addition, we are party to 47 civil actions concerning manipulation relating to the setting of various Interbank Offered Rates. Most of the civil actions, including putative class actions, are pending in the U.S. District Court for the Southern District of New York (SDNY), against us and numerous other banks. All but six of the civil actions were filed on behalf of parties who allege losses as a result of manipulation relating to the setting of U.S. dollar LIBOR. The six civil actions pending against us that do not relate to U.S. dollar LIBOR are also pending in the SDNY, and include two actions concerning Yen LIBOR and Euroyen TIBOR, one action concerning EURIBOR, two actions concerning Pound Sterling (GBP) LIBOR and one action concerning Swiss franc (CHF) LIBOR.

We cannot predict the effect on us of the interbank offered rates matters, which could include fines levied by government bodies, damages from private litigation for which we may be liable, legal and regulatory sanctions (including possible criminal sanctions) and other consequences.

This uncertainty is further exacerbated by several factors outside of our control, such as the high profile of these matters and the contours of other financial institutions settlement negotiations. In addition, regulatory and law enforcement authorities may make assessments about the conduct of institutions in the industry as a whole, which may influence their actions with respect to us. Any fines, damages, legal or regulatory sanctions or other consequences may have a material adverse effect, beyond provisions taken, on our results of operations, financial condition or reputation.

We are defendants in civil actions asserting clawback claims in respect of the insolvency of Kaupthing hf. The extent of our financial exposure to this matter could be material, and our reputation may suffer material harm as a result of this matter.

In June 2012, Kaupthing hf, an Icelandic stock corporation, acting through its winding-up committee, issued Icelandic law clawback claims for approximately 509 million (plus interest calculated on a damages rate basis and penalty rate basis) against us in both Iceland and England. The claims relate to leveraged credit linked notes (CLNs), referencing Kaupthing, issued by us to two British Virgin Island special purpose vehicles (SPVs) in 2008. The SPVs were ultimately owned by high net worth individuals. Kaupthing claims to have funded the SPVs and alleges that we were or should have been aware that Kaupthing itself was economically exposed in the transactions. Kaupthing claims that the transactions are voidable by Kaupthing on a number of alternative grounds, including the ground that the transactions were improper because one of the alleged purposes of the transactions was to allow Kaupthing to influence the market in its own CDS (credit default swap) spreads and thereby its listed bonds. Additionally, we have been served with similar claims in England by Kaupthing and by the SPVs and their joint liquidators. We have filed a defense in these proceedings and continue to defend them. The extent of our financial exposure to this matter could be material, and our reputation may suffer material harm as a result of this matter.

We have received inquiries from regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for us. We are also named as a defendant in several putative class action complaints in respect of precious metals trading and related conduct.

We have received inquiries from certain regulatory and law enforcement authorities, including requests for information and documents, pertaining to investigations of precious metals trading and related conduct. We are cooperating with these investigations and engaging with relevant authorities, as appropriate. The investigations underway have the potential to result in the imposition of significant financial penalties and other consequences for us. Relatedly, we have been conducting our own internal review of our historic participation in the precious metals benchmarks and other aspects of our precious metals trading and precious metals business.

We are also named as a defendant in several putative class action complaints, which have been consolidated in two lawsuits pending in the U. S. District Court for the Southern District of New York. These suits allege violations of U.S. antitrust law, the U.S. Commodity Exchange Act, and related state law arising out of the alleged manipulation of gold and silver prices through participation in the Gold and Silver Fixes, but do not specify the damages sought. The U.S. class action complaints are in the early stages. In addition, we have been named as a defendant in a Canadian class action proceeding in the Ontario Superior Court of Justice concerning gold, in which plaintiffs seek damages for alleged violations of the Canadian Competition Act as well as other causes of action. These complaints may result in material liability for us.

We are investigating the circumstances around equity trades entered into by certain clients in Moscow and London and have advised regulators and law enforcement authorities in several jurisdictions about those trades. In the event that violations of law or regulation are found to have occurred, any resulting penalties against us may materially and adversely affect our results of operations, financial condition and reputation.

We are investigating the circumstances around equity trades entered into by certain clients with us in Moscow and London that offset one another. The total volume of the transactions under review is significant. Our internal investigation of potential violations of law, regulation and policy and into the related internal control environment remains ongoing; to date it has identified certain violations of our policies and deficiencies in our control environment. We have advised regulators and law enforcement authorities in several jurisdictions (including Germany, Russia, the U.K. and U.S.) of this investigation and have taken disciplinary measures with regards to certain individuals in this matter and will continue to do so with respect to others as warranted. In the event that violations of law or regulation are found to have occurred, legal and regulatory sanctions in respect thereof may materially and adversely affect our results of operations, financial condition and reputation.

Regulatory and law enforcement agencies in the United States are investigating whether our historical processing of certain U.S. dollar payment orders for parties from countries subject to U.S. embargo laws complied with U.S. federal and state laws. While we have settled some matters, other investigations are still in progress and the eventual outcomes of these matters are unpredictable, and may materially and adversely affect our results of operations, financial condition and reputation.

We have received requests for information from certain regulatory and law enforcement agencies concerning our historical processing of U.S. dollar payment orders through U.S. financial institutions for parties from countries subject to U.S. embargo laws. These agencies are investigating whether such processing complied with U.S. federal and state laws. On November 3, 2015, we entered into agreements with the New York State Department of Financial Services and the Federal Reserve Bank of New York to resolve their investigations of Deutsche Bank. We paid the two agencies U.S.$ 200 million and U.S.$ 58 million, respectively, and agreed to terminate certain employees, not rehire certain former employees and install an independent monitor for one year. In addition, the Federal Reserve Bank of New York ordered certain remedial measures, specifically, the requirement to ensure an effective OFAC compliance program and an annual review of such program by an independent party until the Federal Reserve Bank of New York is satisfied as to its effectiveness. We continue to provide information to and otherwise cooperate with other investigating agencies. While it is too early to predict, the eventual outcomes of the investigations to which we are subject may materially and adversely affect our results of operations, financial condition and reputation.

We have been subject to contractual claims, litigation and governmental investigations in respect of our U.S. residential mortgage loan business that may materially and adversely affect our results of operations, financial condition or reputation.

From 2005 through 2008, as part of our U.S. residential mortgage loan business, we sold approximately U.S.$ 84 billion of loans into private label securitizations and U.S.$ 71 billion through whole loan sales. We have been, and in the future may be, presented with demands to repurchase loans from or to indemnify purchasers, investors or financial insurers with respect to losses allegedly caused by material breaches of representations and warranties. Our general practice is to process valid repurchase claims that are presented in compliance with contractual rights and applicable statutes of limitations. As of December 31, 2015, we have approximately U.S.$ 2.4 billion of mortgage repurchase demands outstanding and not subject to agreements to rescind (based on original principal balance of the loans). Against these outstanding demands, we have established provisions of U.S.$ 445 million (409 million) as of December 31, 2015 (for part of which we are indemnified). As with provisions generally, however, it is possible that the provisions we have established may ultimately be insufficient, either with respect to particular claims or with respect to the full set of claims that have been or may be presented. There are other potential mortgage repurchase demands that we anticipate may be made, but we cannot reliably estimate their timing or amount. As of December 31, 2015, we have completed repurchases, obtained agreements to rescind or otherwise settled claims on loans with an original principal balance of approximately U.S.$ 7.2 billion. In connection with those repurchases, agreements and settlements, we have obtained releases for potential claims on approximately U.S.$ 93.0 billion of loans sold by us as described above.

From 2005 through 2008, we or our affiliates have also acted as an underwriter of approximately U.S.$ 105 billion of U.S. residential mortgage-backed securities (referred to as RMBS) for third-party originators.

As is the case with a significant number of other participants in the mortgage securitizations market and as described in Note 29 Provisions to the consolidated financial statements, we have received subpoenas and requests for information from certain regulators and government entities concerning our RMBS businesses. We are cooperating fully in response to those subpoenas and requests for information. Some of these investigations are similar in nature to those that led to other financial institutions entering into settlements with members of the Residential Mortgage-Backed Securities Working Group of the U.S. Financial Fraud Enforcement Task Force and paying significant penalties. We have a number of pending lawsuits against us or our affiliates as issuer, underwriter and/or trustee of RMBS. Such pending RMBS litigations are in various stages and we continue to defend these actions vigorously while seeking opportunities to achieve sensible out of court resolutions. Legal and regulatory proceedings are subject to many uncertainties, and the outcome of individual matters is not predictable.

Criminal and regulatory authorities are currently investigating or seeking information from us in connection with transactions with Monte dei Paschi di Siena. The extent of our financial exposure to these matters could be material, and our reputation may be harmed.

In February 2013 Banca Monte Dei Paschi Di Siena, which we refer to as MPS , issued civil proceedings in Italy against us alleging that we assisted former MPS senior management in an accounting fraud on MPS, by undertaking repo transactions with MPS and Santorini , a wholly owned SPV of MPS, which helped MPS defer losses on a previous transaction undertaken with us. Subsequently, in July 2013, the Fondazione Monte Dei Paschi, MPS largest shareholder, also issued civil proceedings in Italy for damages based on substantially the same facts. In December 2013, we reached an agreement with MPS in relation to the transactions that resolves the civil proceedings by MPS. The civil proceedings by the Fondazione Monte Dei Paschi remain pending.

A criminal investigation was launched by the Siena Public Prosecutor into the transactions and certain unrelated transactions entered into by a number of other international banks with MPS. Such investigation was moved in September 2014 from Siena to the Milan Public Prosecutors as a result of a change in the alleged charges being investigated. On February 16, 2016, the Milan Public Prosecutors issued a request of committal to trial against us and six current and former employees. The preliminary hearing before the judge for the preliminary investigation phase (who has to decide whether to adhere to the request of committal to trial or not) is scheduled to take place in March 2016. Separately, we have also received requests for information from certain regulators relating to the transactions, including with respect to our accounting for the transactions and alleged failures by our management adequately to supervise the individuals

involved in the matter. We are cooperating with these regulators. The extent of our financial exposure to these matters could be material, and our reputation may suffer material harm as a result of these matters.

Guilty pleas by or convictions of us or our affiliates in criminal proceedings may have consequences that have adverse effects on certain of our businesses.

We and our affiliates have been and are subjects of criminal proceedings or investigations. In particular, as part of the resolution of the investigation of U.S. Department of Justice (DOJ) into misconduct relating to interbank offered rates, our subsidiary DB Group Services (UK) Ltd. entered into a plea agreement with the DOJ, pursuant to which the company pled guilty to one count of wire fraud. Also, in connection with the KOSPI Index unwind matters, our subsidiary Deutsche Securities Korea Co. was convicted of vicarious corporate criminal liability in respect of spot/futures linked market manipulation by its employees. We and our subsidiaries are also subjects of other criminal proceedings or investigations.

Guilty pleas or convictions against us or our affiliates could lead to our ineligibility to use an important trading exemption under the U.S. Employee Retirement Income Security Act of 1974 (ERISA). In particular, such guilty pleas or convictions could cause our affiliates to no longer qualify as a qualified professional asset manager (QPAM) under the QPAM Prohibited Transaction Exemption, which exemption is relied on to provide asset management services to certain pension plans in connection with certain asset management strategies. Loss of QPAM status could cause customers who rely on such status (whether because they are legally required to do so or because we have agreed contractually with them to maintain such status) to cease to do business or refrain from doing business with us and could negatively impact our reputation more generally. This could have a material adverse effect on our results of operations, particularly those of our asset management and wealth management businesses in the United States. We have filed an application with the U.S. Department of Labor (DOL), the agency responsible for ERISA, for exemptive relief permitting us to retain our QPAM status despite both the guilty plea of DB Group Services (UK) Ltd. and the conviction of Deutsche Securities Korea Co. The DOL has tentatively denied our QPAM application but has granted us a temporary QPAM exemption, effective through October 25, 2016. We have provided additional information to the DOL in support of our QPAM application and are seeking to address the DOL s concerns in connection with its tentative denial letter. It is unclear whether the QPAM application will be approved, and a denial, and thus loss of QPAM status, could occur, with the potential for the adverse effects described above.

Our non-traditional credit businesses materially add to our traditional banking credit risks.

As a bank and provider of financial services, we are exposed to the risk that third parties who owe us money, securities or other assets will not perform their obligations. Many of the businesses we engage in beyond the traditional banking businesses of deposit-taking and lending also expose us to credit risk.

In particular, much of the business we conduct through our Corporate Banking & Securities Corporate Division and our Non-Core Operations Unit entails credit transactions, frequently ancillary to other transactions. Nontraditional sources of credit risk can arise, for example, from holding securities of third parties; entering into swap or other derivative contracts under which counterparties have obligations to make payments to us; executing securities, futures, currency or commodity trades that fail to settle at the required time due to nondelivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries; and extending credit through other arrangements. Parties to these transactions, such as trading counterparties, may default on their obligations to us due to bankruptcy, political and economic events, lack of liquidity, operational failure or other reasons.

Many of our derivative transactions are individually negotiated and non-standardized, which can make exiting, transferring or settling the position difficult. Certain credit derivatives require that we deliver to the counterparty the underlying security, loan or other obligation in order to receive payment. In a number of cases, we do not hold, and may not be able to obtain, the underlying security, loan or other obligation. This could cause us to forfeit the payments otherwise due to us or result in settlement delays, which could damage our reputation and ability to transact future business, as well as impose increased costs on us. Recently enacted legislation in the European Union (EMIR) and the U.S. (the Dodd-Frank Act) has introduced requirements for the standardization, margining, central clearing and transaction reporting of certain over-the-counter derivatives. While such requirements are aimed at reducing the risk posed to counterparties and the financial system by such derivatives, they may reduce the volume and profitability of the transactions in which we engage, and compliance with such provisions may impose substantial costs on us.

The exceptionally difficult market conditions experienced since the global financial crisis severely adversely affected certain areas in which we do business that entail nontraditional credit risks, including the leveraged finance and structured credit markets, and may do so in the future.

We have incurred losses, and may incur further losses, as a result of changes in the fair value of our financial instruments.

A substantial proportion of the assets and liabilities on our balance sheet comprise financial instruments that we carry at fair value, with changes in fair value recognized in the income statement. Fair value is defined as the price at which an asset or liability could be exchanged in an arm s length transaction between knowledgeable, willing parties, other than in a forced or liquidation sale. If the value of an asset carried at fair value declines (or the value of a liability carried at fair value increases) a corresponding unfavorable change in fair value is recognized in the income statement. These changes have been and could in the future be significant. Additionally, in recent periods there has been a significant difference between fair value and book value for some assets.

Observable prices or inputs are not available for certain classes of financial instruments. Fair value is determined in these cases using valuation techniques we believe to be appropriate for the particular instrument. The application of valuation techniques to determine fair value involves estimation and management judgment, the extent of which will vary with the degree of complexity of the instrument and liquidity in the market. Management judgment is required in the selection and application of the appropriate parameters, assumptions and modeling techniques. If any of the assumptions change due to negative market conditions or for other reasons, subsequent valuations may result in significant changes in the fair values of our financial instruments, requiring us to record losses.

Our exposure and related changes in fair value are reported net of any fair value gains we may record in connection with hedging transactions related to the underlying assets. However, we may never realize these gains, and the fair value of the hedges may change in future periods for a number of reasons, including as a result of deterioration in the credit of our hedging counterparties. Such declines may be independent of the fair values of the underlying hedged assets or liabilities and may result in future losses.

Our risk management policies, procedures and methods leave us exposed to unidentified or unanticipated risks, which could lead to material losses.

We have devoted significant resources to developing our risk management policies, procedures and assessment methods and intend to continue to do so in the future. Nonetheless, the risk management techniques and strategies have not been and may in the future not be fully effective in mitigating our risk exposure in all economic market environments or against all types of risk, including risks that we fail to identify or anticipate. Some of our quantitative tools and metrics for managing risk are based upon our use of observed historical market behavior. We apply statistical and other tools to these observations to arrive at quantifications of our risk exposures. During the financial crisis, the financial markets experienced unprecedented levels of volatility (rapid changes in price direction) and the breakdown of historically observed correlations (the extent to which prices move in tandem) across asset classes, compounded by extremely limited liquidity. In this volatile market environment, our risk management tools and metrics failed to predict some of the losses we experienced, particularly in 2008, and may in the future fail to predict important risk exposures. In addition, our quantitative modeling does not take all risks into account and makes numerous assumptions regarding the overall environment, which may not be borne out by events. As a result, risk exposures have arisen and could continue to arise from factors we did not anticipate or correctly evaluate in our statistical models. This has limited and could continue to limit our ability to manage our risks especially in light of geopolitical developments, many of the outcomes of which are currently unforeseeable. Our losses thus have been and may in the future be significantly greater than the historical measures indicate.

In addition, our more qualitative approach to managing those risks not taken into account by our quantitative methods could also prove insufficient, exposing us to material unanticipated losses. Also, if existing or potential customers or counterparties believe our risk management is inadequate, they could take their business elsewhere or seek to limit their transactions with us. This could harm our reputation as well as our revenues and profits. See Management Report: Risk Report beginning on page 79 of the Annual Report 2015 for a more detailed discussion of the policies, procedures and methods we use to identify, monitor and manage our risks.

Operational risks may disrupt our businesses.

We face operational risk arising from errors, inadvertent or intentional, made in the execution, confirmation or settlement of transactions or from transactions not being properly recorded, evaluated or accounted for. An example of this risk concerns our derivative contracts, which are not always confirmed with the counterparties on a timely basis. For so long as the transaction remains unconfirmed, we are subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce the contract. The European sovereign debt crisis and the global financial crisis, in which the risk of counterparty default increased, have increased the possibility that this operational risk materializes.

In addition, our businesses are highly dependent on our ability to process manually or through our systems a large number of transactions on a daily basis, across numerous and diverse markets in many currencies. Some of the transactions have become increasingly complex. Moreover, management relies heavily on its financial, accounting and other data processing systems that include manual processing components. If any of these processes or systems do not operate properly, or are disabled, or subject to intentional or inadvertent human error, we could suffer financial loss, a disruption of our businesses, liability to clients, regulatory intervention or reputational damage.

We are also dependent on our employees to conduct our business in accordance with applicable laws, regulations and generally accepted business standards. If our employees do not conduct our business in this manner, we may be exposed to material losses. Furthermore, if an employee s misconduct reflects fraudulent intent, we could also be exposed to reputational damage. We categorize these risks as conduct risk, which comprises inappropriate business practices, including selling products that are not suitable for a particular customer, fraud, unauthorized trading and failure to comply with applicable regulations, laws and internal policies.

We in particular face the risk of loss events due to the instability, malfunction or outage of our IT system and IT infrastructure. Such losses could materially affect our ability to perform business processes and may, for example, arise from the erroneous or delayed execution of processes as either a result of system outages or degraded services in systems and IT applications. A delay in processing a transaction, for example, could result in an operational loss if market conditions worsen during the period after the error. IT-related errors may also result in the mishandling of confidential information, damage to our computer systems, financial losses, additional costs for repairing systems, reputational damage, customer dissatisfaction or potential regulatory or litigation exposure.

Business continuity risk is the risk of incurring losses resulting from the interruption of normal business activities. We operate in many geographic locations and are frequently subject to the occurrence of events outside of our control. Despite the contingency plans we have in place, our ability to conduct business in any of these locations may be adversely impacted by a disruption to the infrastructure that supports our business, whether as a result of, for example, events that affect our third party vendors or the community or public infrastructure in which we operate. Any number of events could cause such a disruption including deliberate acts such as sabotage, terrorist activities, bomb threats, strikes, riots and assaults on the bank s staff; natural calamities such as hurricanes, snow storms, floods, disease pandemic and earthquakes; or other unforeseen incidents such as accidents, fires, explosions, utility outages and political unrest. Any such disruption could have a material adverse effect on our business and financial position.

Our operational systems are subject to an increasing risk of cyber attacks and other internet crime, which could result in material losses of client or customer information, damage our reputation and lead to regulatory penalties and financial losses.

Among the operational risks we face is the risk of breaches of the security of our computer systems due to unauthorized access to networks or resources, the introduction of computer viruses or malware, or other forms of cyber attack or internet crime. Such breaches could threaten the confidentiality of our clients data and the integrity of our systems. We devote significant resources toward the protection of our computer systems against such breaches. To address the evolving cyber threat risk, we are currently expending significant additional resources to modify and enhance our protective measures and to investigate and remediate any information security vulnerabilities. Nevertheless, a residual risk remains that such measures may not be effective against all threats. Given our global footprint and the volume of transactions we process, certain errors or actions may be repeated or compounded before they are discovered and rectified.

We and other financial institutions have experienced attacks on computer systems, including attacks aimed at obtaining unauthorized access to confidential company or customer information or damaging or interfering with company data, resources or business activities. The increasing frequency and sophistication of recent cyber-attacks has resulted in an elevated risk profile for many organizations around the world, and significant attention by our management has been paid to the overall level of preparedness against such attacks. Cyber security is growing in importance due to factors such as the continued and increasing reliance on our technology environment. Although we have to date not experienced any material loss of data from these attacks, it is possible, given the use of new technologies and increasing reliance on the Internet and the varying nature and evolving sophistication of such attacks, that we may not be able to effectively anticipate and prevent all such attacks. A successful attack could have a significant negative impact on us, including as a result of disclosure or misappropriation of client or proprietary information, damage to computer systems, financial losses, additional costs to us (such as for investigation and reestablishing services), reputational damage, customer dissatisfaction and potential regulatory or litigation exposure.

The size of our clearing operations exposes us to a heightened risk of material losses should these operations fail to function properly.

We have large clearing and settlement businesses and an increasingly complex and interconnected information technology (IT) landscape. These give rise to the risk that we, our customers or other third parties could lose substantial sums if our systems fail to operate properly for even short periods. This will be the case even where the reason for the interruption is external to us. In such a case, we might suffer harm to our reputation even if no material amounts of money are lost. This could cause customers to take their business elsewhere, which could materially harm our revenues and profits.

We may have difficulty in identifying and executing acquisitions, and both making acquisitions and avoiding them could materially harm our results of operations and our share price.

We consider business combinations from time to time. Even though we review the companies, businesses, assets, liabilities or contracts we plan to acquire, it is generally not feasible for these reviews to be complete in all respects. As a result, we may assume unanticipated liabilities, or an acquisition may not perform as well as expected. Were we to announce or complete a significant business combination transaction, our share price could decline significantly if investors viewed the transaction as too costly or unlikely to improve our competitive position. In addition, we might have difficulty integrating any entity with which we combine our operations. Failure to complete announced business combinations or failure to integrate acquired businesses successfully into ours could materially and adversely affect our profitability. It could also affect investors perception of our business prospects and management, and thus cause our share price to fall. It could also lead to departures of key employees, or lead to increased costs and reduced profitability if we felt compelled to offer them financial incentives to remain.

Intense competition, in our home market of Germany as well as in international markets, could materially adversely impact our revenues and profitability.

Competition is intense in all of our primary business areas, in Germany as well as in international markets. If we are unable to respond to the competitive environment in these markets with attractive product and service offerings that are profitable for us, we may lose market share in important areas of our business or incur losses on some or all of our activities. In addition, downturns in the economies of these markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for us.

In recent years there has been substantial consolidation and convergence among financial services companies, culminating in unprecedented consolidations in the course of the global financial crisis. This trend has significantly increased the capital base and geographic reach of some of our competitors and has hastened the globalization of the securities and other financial services markets. As a result, we must compete with financial institutions that may be larger and better capitalized than we are and that may have a stronger position in local markets. Also, governmental action in response to the global financial crisis may place us at a competitive disadvantage.

Transactions with counterparties in countries designated by the U.S. State Department as state sponsors of terrorism or persons targeted by U.S. economic sanctions may lead potential customers and investors to avoid doing business with us or investing in our securities, harm our reputation or result in regulatory action which could materially and adversely affect our business.

We engage or have engaged in a limited amount of business with counterparties, including government-owned or -controlled counterparties, in certain countries or territories that are subject to comprehensive sanctions, including Iran and Cuba (referred to as Sanctioned Countries), or with persons targeted by U.S. economic sanctions (referred to as Sanctioned Persons). U.S. law generally prohibits U.S. persons or any other persons acting within U.S. jurisdiction from doing business with Sanctioned Countries or Sanctioned Persons. Thus, U.S. regulations may extend to activities in other geographic areas and by non-U.S. persons depending on the circumstances. Our U.S. subsidiaries, branch offices, and employees are and our non-U.S. subsidiaries, branch offices, and employees may become subject to those prohibitions and other regulations. We are a German bank and our activities with respect to Sanctioned Countries and Sanctioned Persons have been subject to policies and procedures designed to avoid the involvement of persons acting within U.S. jurisdiction in any managerial or operational role and to ensure compliance with United Nations, European Union and German embargoes; in reflection of legal developments in recent years, we further developed our policies and procedures with the aim of ensuring compliance with regulatory requirements extending to other geographic areas regardless of jurisdiction. However, should our policies prove to have been ineffective, we may be subject to regulatory action that could materially and adversely affect our business. By 2007, our Management Board decided that we will not engage in new business with counterparties in countries such as Iran, Syria, Sudan and North Korea and to exit existing business to the extent legally possible. It also decided to limit our business with counterparties in Cuba. Of these, Iran, Sudan and Syria are currently designated as state sponsors of terrorism by the U.S. State Department.

We had a representative office in Tehran, Iran, which we discontinued at December 31, 2007. Our remaining business with Iranian counterparties consists mostly of participations as lender and/or agent in a few large trade finance facilities arranged before 2007 to finance the export contracts of exporters in Europe and Asia. The lifetime of most of these facilities is ten years or more and we are legally obligated to fulfil our contractual obligations. We do not believe our business activities with Iranian counterparties are material to our overall business, with the outstanding loans to Iranian borrowers representing substantially less than 0.01 % of our total assets as of December 31, 2015 and the revenues from all such activities representing less than 0.01 % of our total revenues for the year ended December 31, 2015.

In recent years, the United States has taken steps, including the passage of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, the National Defense Authorization Act for Fiscal Year 2012, the Iran Threat Reduction and Syria Human Rights Act of 2012, the Iran Freedom and Counter-Proliferation Act of 2012, and a number of Executive Orders, to deter foreign companies from dealing with Iran by providing for possible sanctions against companies that provide services in support of certain Iranian activity in (among others) the financial, energy, shipping or military sectors or with certain Iranian counterparties, whether or not such dealings occur within U.S jurisdiction. Among the targets of these indirect, or secondary , U.S. economic sanctions are foreign financial institutions that, among other things, facilitate significant transactions with, or provide significant financial services to a wide range of Iranian entities, persons, and financial institutions. We do not believe we have engaged in activities sanctionable under these statutes, but the U.S. authorities have considerable discretion in applying the statutes, and any imposition of sanctions against us could be material. Following the occurrence on January 16, 2016 of Implementation Day of the Joint Comprehensive Plan of Action between the P5+1 parties and Iran, pursuant to which Iran agreed to limits on its nuclear program and the P5+1 parties agreed to provide certain sanctions relief, secondary sanctions targeting Iran have been narrowed but not eliminated.

As required by Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Section 13(r) of the Securities Exchange Act of 1934, as amended) we have disclosed certain information regarding our activities or transactions with persons subject to U.S. sanctions against Iran and other persons subject to such provision. Such disclosure is set forth in the section of this document entitled Disclosures Under Iran Threat Reduction and Syria Human Rights Act of 2012 , which follows Item 16H: Mine Safety Disclosure .

We are also engaged in a limited amount of business with counterparties domiciled in Cuba, which is not subject to any United Nations, European Union or German embargo. The business consists of a limited number of letters of credit, as well as claims resulting from letters of credit, and it represented substantially less than 0.01 % of our assets as of December 31, 2015. The transactions served to finance commercial products such as machinery and electrical equipment as well as medical products.

We are aware of current or proposed laws, regulations, policies or other initiatives by governmental and nongovernmental entities in the United States and elsewhere to prohibit transactions with or investment in, or require divestment from, entities doing business with Sanctioned Countries, particularly Iran and Sudan. Such initiatives may result in our being unable to gain or retain entities subject to such prohibitions as customers or as investors in our securities. In addition, our reputation may suffer due to our association with such countries. Such a result could have significant adverse effects on our business or the price of our securities. It is also possible that new direct or indirect secondary sanctions could be imposed by the United States or other jurisdictions without warning as a result of geopolitical developments.

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Item 4: Information on the Company

History and Development of the Company

The legal and commercial name of our company is Deutsche Bank Aktiengesellschaft. It is a stock corporation organized under the laws of Germany.

Deutsche Bank Aktiengesellschaft originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf, and Süddeutsche Bank Aktiengesellschaft, Munich. Pursuant to the Law on the Regional Scope of Credit Institutions, these were disincorporated in 1952 from Deutsche Bank, which had been founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on May 2, 1957.

We are registered under registration number HRB 30 000. Our registered address is Taunusanlage 12, 60325 Frankfurt am Main, Germany, and our telephone number is +49-69-910-00. Our agent in the United States is: Peter Sturzinger, Deutsche Bank Americas, c/o Office of the Secretary, 60 Wall Street, Mail Stop NYC60-2525, New York, NY 10005.

For information on significant capital expenditures and divestitures, please see Management Report: Operating and Financial Review: Deutsche Bank Group: Significant Capital Expenditures and Divestitures on page 38 of the Annual Report 2015.

Business Overview

Our Organization

Please see Management Report: Operating and Financial Review: Deutsche Bank Group: Our Organization on page 32 of the Annual Report 2015. For information on net revenues by geographic area and by corporate division please see Note 4 Business Segments and Related Information: Entity-Wide Disclosures to the consolidated financial statements and Management Report: Operating and Financial Review: Results of Operations: Segment Results of Operations on pages 48 through 50 of the Annual Report 2015.

Management Structure

Please see Management Report: Operating and Financial Review: Deutsche Bank Group: Management Structure on page 32 to 33 of the Annual Report 2015.

Our Business Strategy

Following a comprehensive strategic review of the Group, Deutsche Bank announced its new strategic plan (Strategy 2020) in April 2015. In October 2015, we provided further details around the Bank s strategic goals, management actions in its business divisions, infrastructure functions, and regions, and updated performance targets for 2018 and 2020.

The Bank conducted an examination of our business divisions, infrastructure functions, and regions, and an assessment of their ability to serve our clients future needs. Based on this assessment, the Bank s management reinforced our commitment to a global platform and universal banking product offering in which all four of our businesses, Corporate Banking and Securities (CB&S), Global Transaction Banking (GTB), Deutsche Asset & Wealth Management (Deutsche AWM) and Private and Business Clients (PBC), remain core. The clear intention of Strategy 2020 is to focus our universal offering of products and services in order to become a less complex, more efficient, less risky and better capitalized bank.

In detail, the four strategic goals comprise the following:

First, to become simpler and more efficient by focusing on the markets, products, and clients where we are better positioned to succeed, which should lead to greater client satisfaction and lower costs. We want to achieve this via a material reduction in the number of locations, products and clients, as well as a simplified organization with fewer legal entities. Moreover, we intend to move towards a competitive cost structure, based on a more efficient infrastructure. Our execution plan includes the closure of onshore operations in ten countries, the transfer of trading activities to global and regional hubs and further centralization of booking locations in global and regional hubs. We aim to exit selected Global Markets business lines and to reduce the number of clients in CB&S. Furthermore, we intend to eliminate approximately 90 legal entities.

Second, to become less risky by modernizing our technology and withdrawing from higher-risk client relationships. We intend to (a) withdraw from those client relationships where in our view the risks are too high, to (b) improve our control framework, and to (c) implement automation in order to replace manual reconcil-iation. We seek to modernize our IT architecture, for instance by reducing the number of individual operating systems and by replacing the Bank s end-of-life hardware and software applications. Automation of manual processes is aimed at driving efficiency and improving control. We intend to prioritize investments in the Know-Your-Client (KYC) and Anti-Money-Laundering (AML) infrastructure.

Third, to become better capitalized. We want to reduce risk-weighted assets (RWAs) by approximately 90 billion to approximately 320 billion by 2018 and approximately 310 billion by 2020, excluding RWA inflation on the back of changing regulatory requirements, which is expected to be at least 100 billion by 2019/2020. Furthermore, we seek to reduce our net CRD 4 leverage exposure by approximately 170 billion by 2018. Key components of our execution plan include the deconsolidation of Postbank, the planned sale of our entire noncontrolling 19.99 % stake in Hua Xia Bank and the substantial wind-down of the Non-Core Operations Unit (NCOU) as well as the exit of selected Global Markets business lines. We intend to par-tially reinvest some capital into our business in order to pursue growth in our Global Transaction Banking and Asset and Wealth Management businesses.

Fourth, to run Deutsche Bank with more disciplined execution. We strive to secure disciplined execution of our main targets through the establishment of a fully accountable management team with all businesses and functions represented. Furthermore, we are committed to favoring personal accountability over committees wherever possible. We intend to combine this with a better alignment of our reward system to good performance and conduct.

We have also set ourselves clear financial targets in key areas. Starting with the regulatory ratios, we aim to strengthen our capital position, with a target Common Equity Tier 1 capital ratio of at least 12.5 % from the end of 2018, and a target leverage ratio of at least 4.5 % at the end of 2018 and at least 5 % at the end of 2020. By 2018, we further aim to produce net savings in our adjusted costs (total non-interest expenses excluding restructuring and severance, litigation, impairment of goodwill and other intangible assets and policyholder benefits and claims) of approximately 1.0 to 1.5 billion, against restructuring and severance costs of approximately 3.0 to 3.5 billion, to reduce total adjusted costs to below 22 billion. In addition, we plan to dispose of assets before the end of 2017 that currently have a total cost base of approximately 4.0 billion. Additionally, we aim to achieve a cost-income ratio of approximately 70 % by 2018 and approximately 65 % by 2020. In respect of returns to our shareholders, we aim to achieve post-tax return on tangible equity of greater than 10 % by 2018. Execution of Strategy 2020 is already underway. In October 2015, we announced a reorganization of our operating businesses along our key client segments effective January 1, 2016. The Corporate Banking & Securities business division has been split into two business divisions. CB&S s sales and trading activities have been combined in a newly created business division called Global Markets (GM) with a primary focus on institutional clients. A new business division called Corporate & Investment Banking (CIB) has been created by combining the Corporate Finance business in CB&S with the Global Transaction Banking division. CIB is focused primarily on servicing corporate clients. Furthermore, Deutsche Asset & Wealth Management has been split. Deutsche Bank Wealth Management (WM) is now run as a business unit alongside the Private and Business Client division to form the new Private, Wealth & Commercial Clients (PW&CC) business division focusing on private, commercial and high net worth clients. Deutsche Asset Management (AM) has become a stand-alone business division and focuses exclusively on institutional clients and the funds business. We believe that these structural changes better equip us to deliver on Strategy 2020 and we aim to have our cost reductions and capital measures materially completed by the end of 2018.

Strategy 2020 is expected to have a fundamental impact on Deutsche Bank s structure, processes and culture. All of the strategic initiatives are designed to strengthen the Bank s financial position and resilience. The Management Board is accountable for the Bank s operating performance and execution against Strategy 2020. Its role is to provide oversight and decision-making on Strategy 2020 execution and financial performance. It also manages overall dependencies across projects and cross-divisional initiatives. All business divisions, key infrastructure functions and owners of cross-divisional tasks have developed detailed execution plans with concrete financial targets, milestones and interdependencies. These detailed plans form the basis for tracking subsequent implementation progress. We have enhanced our Performance Management Framework to monitor and track progress in implementing Strategy 2020 and to address and escalate deviations from the plan.

Strategy in CB&S

Under the old organizational structure, CB&S comprised the Markets and Corporate Finance businesses. The Markets business combines the sales, trading and structuring of a wide range of financial markets products, including bonds, equities and equity-linked products, exchange-traded and over-the-counter derivatives, foreign exchange, money market instruments, and securitized products. Coverage of institutional clients is provided by the Institutional Client Group, while Research provides analysis of markets, products and trading strategies for clients. Corporate Finance is responsible for mergers and acquisitions (M&A) as well as debt and equity advisory and origination. Regional, industry-focused teams saw to the delivery of the entire range of financial products and services to the Bank s corporate clients.

CB&S was committed to being a global leader in investment banking. With operations in over 50 countries around the world, employing around 8,500 staff, CB&S was at home in Asia Pacific and the Americas as it was in Europe.

In 2015, CB&S continued to optimize resources across the platform, enabling the business to maintain a top tier client franchise (i.e., Top-3 in FX across all regions (Euromoney), Top-3 in Fixed Income in the U.S. and Japan, #4 in Europe and APAC excluding Japan (Greenwich)) while delivering a more efficient platform. We continued to reduce leverage exposure, adjusted costs (excluding restructuring and severance, litigation, impairment of goodwill and other intangible assets and policyholder benefits and claims) and headcount. The 2015 income before taxes result of (2,035) million was significantly impacted by litigation ((2,790) million) and goodwill impairments ((2,168) million).

As of January 1, 2016 the corporate-client focused Corporate Finance group of CB&S has been combined with GTB to form the new Corporate & Investment Banking (CIB) division, while the new Global Markets (GM) division focuses on institutional clients.

In Global Markets, our diversified client-focused business model delivered increased revenues in 2015 compared to the prior year. The business is now focused on executing initiatives to deliver Strategy 2020. These initiatives aim to reduce RWA and CRD 4 leverage exposure, improve profitability and reduce complexity. In addition to our previously-announced exit of uncleared CDS, we will exit from legacy Rates assets, Agency RMBS trading and high risk-weight securitized trading. We intend to rationalize activities in EM Debt, Rates & Credit OTC clearing and low-return client lending and target a reduction of leverage exposure consumption by our Fixed Income and Currencies (FIC) businesses, while continuing to optimize leverage and RWA consumption across the platform. In order to pursue identified growth opportunities, we will invest in Prime Brokerage and Credit Solutions with balance sheet released from exiting and optimizing other parts of the business. At the same time we intend to reduce our client and country footprint, rationalize our platform infrastructure and enhance the control environment.

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In Corporate Finance we were ranked number 6 globally in 2015 (based on Dealogic data). The creation of the new CIB division is intended to enable us to better serve corporate clients with our full set of banking products. We intend to retain strength in Debt Capital Markets with focused efforts to grow market share in Advisory and Equity Capital Markets.

Strategy in PBC

Deutsche Bank s Private & Business Clients (PBC) division provides banking and other financial services to private and commercial clients in Germany and selected international markets. PBC s products and services include payment and current account services, investment management and retirement planning, as well as personal loans, mortgages and deposits. For small and medium-sized commercial clients, PBC offers a full range of services, e.g. from start-up financing to structured finance. Together with the Group's business divisions, PBC leverages the possibilities of interest rate and foreign currency management, foreign trade and the capital markets. PBC contains the three business divisions Private & Commercial Banking, Advisory Banking International and Postbank. Private & Commercial Banking comprises all of PBC's activities in Germany under the Deutsche Bank brand. Advisory Banking International consists of PBC's franchises in its five European markets (excluding Germany): Italy, Spain, Belgium, Portugal and Poland and in India. Additionally, in China, PBC holds a 19.99 % stake in Hua Xia Bank.

PBC is a leading private bank in Deutsche Bank s home market Germany and provides services to more than 22 million clients. In addition, PBC serves more than 5 million clients elsewhere in Europe and in India. PBC s income before taxes of (3,291) million was strongly impacted by (3,603) million impairment of goodwill and other intangibles, (697) million valuation and transaction-related effect relating to the Hua Xia Bank stake as well as (670) million for restructuring and severances. Major business related drivers in 2015 were growth in Global Credit Products and Investment & Insurance Products revenues as well as strict cost discipline which compensated for continued headwinds from the persisting low interest rate environment and from regulatory change.

As of January 1, 2016 we have combined Private & Business Clients (PBC) and Deutsche Bank Wealth Management (WM) to create the new segment Private, Wealth & Commercial Clients (PW&CC). PW&CC pursues a strategy of creating a leading, digitally enabled advisory bank with a strong focus on growth in Private Banking, Commercial Banking and Wealth Management. PW&CC s objectives include the provision of seamless client coverage with a distinct Private Banking and Wealth Management approach in Germany, a strengthened European presence, expansion of services to Ultra High Net Worth (UHNW) clients in Asia, Americas, and the Middle East, and a focus on entrepreneurs in Germany and across Europe. Furthermore, PW&CC expects to realize significant synergies to improve efficiency in product offering, digital investment, operations, overhead and support functions. Additionally, it seeks to improve capital efficiency by further strengthening advisory capabilities and less emphasis on capital intensive products.

As part of the creation of PW&CC, we transformed Private & Business Clients (PBC) into Private & Commercial Clients (PCC) by the separation of Postbank and the planned sale of our stake in Hua Xia Bank. The key components of our strategy relate to our client approach, our international business and our efficiency. PCC aims to sharpen the client strategy in Germany by increasing profitability of Personal Banking with standardized and streamlined processes and services and by emphasizing Private and Commercial Banking. We intend to strengthen PCC´s international business by focusing on affluent as well as SME clients and seeking to reap synergies from regulatory harmonization across the EU and seek to benefit from ongoing macroeconomic recovery. We aim to improve our cost efficiency and reduce complexity via a streamlined head office and management structure, end-to-end process automation and Europe wide centralization of services. In line with the changing behavior of our clients, we aim to sharpen our distribution model by strengthening our omni-channel capabilities with additional investments into our digital offerings and by closing more than 200 branches in Germany.

In the context of Strategy 2020, the Bank decided to deconsolidate Deutsche Postbank. As a first step towards deconsolidation, Deutsche Bank pursued a squeeze out of the minority shareholders acquiring 100 % of Postbank by the end of 2015. In the course of 2016, Deutsche Bank will pursue implementation of the measures that will allow for a separation of Postbank. From the first quarter of 2016 onwards, Postbank will be reported as a separate segment within Deutsche Bank.

Strategy in Global Transaction Banking (GTB)

As a key building block of our Commercial/International Banking proposition, GTB serves corporate and institutional clients globally with solutions around deposit taking, domestic and cross-border payments, trade finance, supply chain finance and securities services (i.e., trust, agency, depositary, custody and related services). GTB is organized along its two main business areas, Trade Finance and Cash Management Corporates (TF/CMC) and Institutional Cash and Securities Services (ICSS).

Throughout 2015, overall business conditions for GTB continued to remain challenging. A relatively slow economic recovery particularly in Europe, low or even negative interest rate environment, and ongoing margin pressure and increased competition, not least from new entrants such as non banks, acted as headwinds to the business. However, despite these challenges, GTB delivered income before taxes of 1,439 million based on significant customer wins and increasing business volumes, distinct propositions in relation to the European Central Bank s TARGET2-Securities (T2S) settlement engine which went live on June 22, 2015, and client centric solutions across a variety of industry segments, including for FinTech companies. GTB has continued to reduce the proportion of revenues stemming from interest income.

As of January 1, 2016, the GTB business has been combined with our CB&S Corporate Finance business to create the new division Corporate & Investment Banking (CIB). Within GTB, the business areas will be organized along three business lines: Trade Finance and Cash Management Corporates (TF/CMC), Institutional Cash Management (ICM), and Global Securities Services (GSS). This is intended to enable us to better serve our clients with our full set of banking products.

Within the new CIB division, GTB remains committed to executing on its strategic priorities: strengthening and deepening relationships with target clients; acquiring new target clients especially in Asia and the US; further building its capabilities to serve mid-cap clients in Germany; continuing its investments in operational excellence; optimizing its business portfolio while maintaining strict cost, risk and capital discipline.

The ongoing efforts of the division have led to Deutsche Bank receiving external recognition from some of the industry s most respected bodies. The awards GTB received in 2015 include (but are not limited to) Best Transaction Bank from Europe (The Banker), Best International Transaction Bank, Asia Pacific (The Asian Banker), Best Cash Manager for Financial Institutions (Euromoney), Best Trade Finance Provider (Euromoney) and Global Corporate Trust Services Provider of the Year (Infrastructure Investor Awards).

Strategy in Deutsche AWM

Deutsche AWM served individual, institutional and intermediary clients worldwide through asset management and wealth management solutions, including a full range of active, passive and alternative investments across all major asset classes, as well as investment solutions, wealth management advisory and private banking services.

Throughout 2015, we maintained our position as a top-10 global bank-owned asset and wealth manager (based on invested assets, Pensions & Investments magazine and annual reports), with total invested assets reaching 1.1 trillion. Despite increasingly volatile financial markets and fierce competition, clients entrusted us with 24 billion in net new assets. This has resulted in an income before taxes of 1,250 million. Our strategic investments to serve clients include expanding private banker and wealth advisory teams to serve ultra-high-net-worth individuals (UHNW), as well as adding to institutional and intermediary sales coverage teams. We continued to expand our product offerings to address client demand, including launching new ETFs, alternative and active multi-asset funds. In parallel, we further focused the business portfolio through divestment of non-core areas (e.g. India Asset Management; U.S. brokerage-based private client services) and progressing in the full implementation of platform transformation initiatives, such as the BRS Aladdin investment management solution.

As of January 1, 2016 Deutsche AWM has been re-organized into two separate units, each oriented toward serving its clients and delivering growth for the Bank, while leveraging shared operating improvements made in recent years. Deutsche Bank Asset Management (AM) has become a new stand-alone business division of Deutsche Bank, while Deutsche Bank Wealth Management (WM), as described before, has become a business unit of the newly formed division PW&CC.

In AM, we intend to focus on delivering robust, sustainable investment performance across our funds products and investment solutions, and seek to gain market share globally while maintaining leadership in our home market of Germany. We foresee continued cooperation and connectivity, where appropriate, between AM and WM, as well as across the Bank, in offering solutions to retail and institutional clients.

In WM, we seek to build market share across our regions Germany, EMEA (excluding Germany), Americas and APAC whilst maintaining our focus on our core client segment of (U)HNW clients. We have the aim of delivering top quality products and solutions to our clients globally and providing greater access to offerings across Deutsche Bank, in collaboration with the new Global Markets and Corporate & Investment Banking divisions.

Strategy in the Non-Core Operating Unit (NCOU)

The NCOU was established in 2012 as our fifth corporate division and consists of two major businesses: Wholesale Assets and Operating Assets. Wholesale Assets mainly includes credit correlation trading positions, securitization assets, exposures to monoline insurers, assets reclassified under IAS 39, and assets and liabilities from PBC including Postbank. Operating Assets contains separate operating entities from the former Corporate Investments division (all of which have been transferred into NCOU) and some assets formerly within CB&S and Deutsche AWM. NCOU further contains several legal contingent risks transferred from Deutsche Bank s core business divisions.

The strategy and mandate of the NCOU continues to be the de-risking of the portfolio which is aligned with the Bank s overall strategic objectives. NCOU has embarked on an accelerated rundown of its portfolio with the intention to materially complete the wind-down of the division by the end of 2016. The aim is to free up capital by reducing risk-weighted assets and overall balance sheet in order to protect shareholder value by reducing risks from the above mentioned assets, liabilities and business activities.

Our Corporate Divisions

Please see Management Report: Operating and Financial Review: Deutsche Bank Group: Corporate Divisions beginning on page 33 of the Annual Report 2015.

The Competitive Environment

Competitor Landscape

After a period earlier in 2015 when economic data appeared to be stabilizing or improving in many countries and the risk of a negative macro scenario and diminishing global growth appeared to be receding, developments late in the year 2015, as well as developments since the start of the new year, have caused these concerns to resurface, and markets, including equity markets in particular, have moved sharply downward. Eurozone data confirmed that the economy continued to grow at about its trend rate during much of 2015, propelled by real income gains provided by falling oil prices. Despite what appeared to be an improving growth background at the time, the European Central Bank (ECB) cut the deposit rate to -0.30 per cent in December 2015 and announced an extension of the asset purchase program until March 2017 or beyond if inflation and inflation expectations do not materially improve. The economic outlook has dimmed somewhat since the start of the year largely in the face of political concerns and concerns about the global outlook, however, and thus the ECB will probably make its monetary policy even more expansionary in the course of the year. Similarly, the Bank of England surprised by pivoting toward a more dovish policy stance. In the U.S., meanwhile, strong labour market data finally prompted the Federal Reserve to end seven years of zero interest rates by increasing the Fed Funds target rate by 0.25 percentage points in December. Since then, however, U.S. data have been mixed, pointing towards a somewhat weaker winter half and causing the Federal Reserve once again to question the wisdom of further monetary tightening in the near term. Moreover, we now expect a lower trend growth rate in the U.S. for the coming years. While in the past falling oil prices were overwhelmingly positive for the U.S. economy, U.S. production levels given the fracking boom, and the economics of this business, have largely broken this historical relationship. In Emerging Markets, growth remains weak; while it appears to be bottoming out in some economies, others, particularly those for which oil exports are critical to the economy, may not yet be reaching their nadir. Political uncertainty is also taking an increasing toll in Emerging Markets. In China, prospects remain uncertain and prognostication difficult. While some leading indicators are still compatible with a modest improvement in near-term growth, others are less optimistic, and perceived risks to the Chinese growth rate over the medium term is heavily pressuring commodities markets worldwide. While China is supporting its economy with more expansionary monetary and fiscal policies, looser policy is placing pressure on the currency and structural problems are likely to slow down the intended shift towards domestic demand driven growth and the health of the financial sector remains open to question. Monetary policy in China will probably become more expansive in order to bolster the economy. In Japan, fiscal measures and the ongoing extremely expansionary monetary policy (Abenomics) are supporting growth, while weak external demand has impacted negatively.

Focus across the industry in 2013 and 2014 was on strengthening capital ratios via capital raising, restructuring and retrenchment from capital intensive businesses. The focus in 2015 has been concentrated on resolving legal matters, responding to continued regulatory requirements and operational efficiency improvements. Despite unrelenting pressure on interest margins, total revenues are expanding. At the same time, asset quality is improving and industry profits are rising. Looking forward, however, the banking sector will continue to be challenged from the ongoing regulatory uncertainty and the risks to the growth of the global economy.

Deutsche Bank s core competitors include other universal banks, commercial banks, savings banks, public sector banks, brokers and dealers, investment banking firms, asset management firms, private banks, investment advisors, payments services providers, and insurance companies. We compete with some of our competitors globally and with some others on a regional, product, or niche basis. We compete on the basis of a number of factors, including the quality of client relationships, transaction execution, our products and services, innovation, reputation and price.

An emerging group of future competitors in the form of start-ups and technology firms are showing an increasing interest in banking services and products. We see potential for disruption from these new competitors in both core products, e.g., payments, basic accounts and loans and investment advisory, as well as in new products, e.g. peer to peer lending and equity crowd funding. Significant investment is ongoing across the banking industry to keep pace with technological advances and meet changing client needs.

In our home market, Germany, the retail banking market remains fragmented and our competitive environment is influenced by the three pillar system of private banks, public banks and cooperative banks. Competitive intensity has increased in recent years following some consolidation activity, particularly among public regional commercial banks (Landesbanken) and private banks, and increased activity levels from foreign players.

Regulatory Reform

In the past year, key areas of the post-financial crisis G20 regulatory agenda strengthening international standards to create financially resilient institutions and ensuring resolvability of all banks have continued to evolve with final rules becoming clearer.

Elements of the core Basel 3 capital adequacy, liquidity and leverage requirements have been implemented or further defined. In the European Union, the Capital Requirements Regulation and the Capital Requirements Directive (CRR/CRD 4) implementing the Basel 3 framework became effective on January 1, 2014, with some of the requirements, such as capital buffers, being phased in through 2019. Other requirements, such as a binding leverage ratio, still need to be finalized and formally implemented. In the United States, the U.S. implementation of the Basel 3 framework took effect on January 1, 2015 for Deutsche Bank Trust Corporation (DBTC), our U.S. bank holding company subsidiary. Beginning July 1, 2016, the U.S. Basel 3 framework and the related capital planning and stress testing requirements will apply to all of our U.S. non-branch operations that is, excluding Deutsche Bank AG New York Branch.

2015 also saw progress in the regulation of the securities and derivatives markets. Given the global nature of these markets, a continuing key issue is the global cooperation and coordination of regulation and supervision. 2015 saw consultations at the European Union level on margining requirements, clearing rules and similar regulations in the U.S. as well as across Asia-Pacific. By the end of 2016, we expect the full implementation of clearing requirements and commencement of margin requirements in the European Union. Another key area of work in 2016 will be around the recovery and resolution of central counterparties (CCPs) particularly in the European Union and in the U.S.

In connection with the structural reform of banks, 2015 saw further regulatory developments. In Germany, we have been granted a one year extension by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) for implementing the required cessation or separation of proprietary trading that does not constitute a service for others, high frequency trading (with the exception of market making), and credit or guarantee transactions with hedge funds and comparable enterprises, also in order to allow for possible alignment with expected European Union legislation. In Europe, political negotiations on European Union legislation covering the prohibition of proprietary trading and separation of risk trading activities are ongoing. A final text is not expected before the second half of 2016 with a minimum implementation period of two years. In the U.S., DBTC also participated for the first time in the Federal Reserve Board s Comprehensive Capital Adequacy Review (CCAR) process, an annual capital planning and stress testing exercise. Additionally, the U.S. Volker Rule conformance date was reached in July 2015 (subject to an extension for certain legacy covered funds), in response to which we have implemented a comprehensive compliance program.

Importantly, in 2015 we continued to be subject to the Single Supervisory Mechanism (SSM), the new prudential supervisory regime in the eurozone led by the European Central Bank. We are cooperating closely with the ECB and the competent national supervisory authorities participating in the SSM. 2015 saw significant progress in adapting internal processes to meet the demands of such authorities. The advent of the ECB as competent authority for prudential supervision of large banks domiciled in the eurozone and other participating European Union member states is

expected to enhance consistency of supervisory standards and transparency in the future, and we continue to participate in corresponding efforts such as reducing existing options and discretions under European Union legislation.

At the international level, in October 2014 the Basel Committee on Banking Supervision (BCBS) published its final standards for the Net Stable Funding Ratio (NSFR). In December 2014, the BCBS finalized changes to the capital standards for securitization exposures held in the banking book. Subject to potential modifications in the legislative process, the NSFR and the new securitization standards are expected to be implemented and take effect by January 1, 2018. In addition, in January 2016, the BCBS completed its fundamental review of the trading book and published a corresponding final standard on the minimum capital requirements for market risk. We expect that European Union and U.S. authorities will propose rules implementing this new market risk standard in 2016 or 2017. Finally, in December 2015 the BCBS also proposed changes to the standardized approaches for credit risk that would generally increase the use of standardized assumptions to promote comparability across banks and jurisdictions. In 2016, the BCBS is expected to publish further proposals on the standardized approach for operational risk as well as a capital floor. We expect the BCBS to publish final standards on the standardized approaches for credit and operational risk, as well as on capital floors, in late 2016 or in 2017. While the expected impacts on capital requirements of the proposed new standardized approaches have been factored into our Strategy 2020 projections and objectives, their ultimate impact on us will depend on how they are implemented through binding legislation and regulation.

Other key post-crisis reforms, while agreed in final standards and, in many cases, primary legislation, are still at an early stage of their phase-in or implementation, particularly where regulators have yet to develop detailed rules and regulations or determine their cross-border application. Thus, the impact of the implementation of such final standards and primary legislation on specific institutions remains uncertain. Examples of such post-crisis reforms include:

- **Legislation for OTC derivatives clearing, reporting and margining** has been enacted in the European Union and U.S. and some requirements are already in effect. By the end of 2016, clearing mandates in the European Union are expected to be fully implemented, and margin rules will be phased-in starting September 2016. While trade reporting has begun, phase-in of mandatory European Union clearing obligations is not expected to begin until June 2016 and relief from transaction-level requirements for swaps between non-U.S. swap dealers and non-U.S. persons has been extended until September 30, 2016. In addition, on February 10, 2016, the European Commission and the U.S. Commodity Futures Trading Commission (CFTC) announced a common approach to facilitate the cross-border recognition of CCPs. Margin requirements for non-cleared derivatives have been adopted in the U.S. and will phase in from September 2016 to September 2020. Similar requirements and timelines are expected in the European Union. We can expect the cost of trading OTC derivatives across the market to increase as a result of the margin requirements as well as a rise in demand for high quality collateral.
- **Updated European Union rules for market structure**, pre- and post-trade transparency for equities, fixed income, currency and commodities transactions, investor protection, market abuse and sanctions through the Markets in Financial Instruments Directive (MiFID 2) and Regulation (MiFIR) and the Market Abuse Directive (MAD 2) and Regulation (MAR). MiFID 2/MiFIR will also introduce a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardized and liquid. Originally, most requirements introduced by MiFID 2/MiFIR and MAD 2/MAR were foreseen to be applicable to us starting on January 3, 2017 or July 3, 2016, respectively. On February 10, 2016, however, the European Commission published proposals to delay the application of MiFID 2/MiFIR by one year to January 3, 2018. This needs now to be agreed by the bodies of the European Union through the co-decision process. MiFID 2 and MAD 2 need yet to be transposed into national law, and the European Securities and Markets Authority (ESMA) and the European Commission have yet to finalize many of the required implementing regulations. Depending on the detailed rules being developed, the updated MiFID 2/MiFIR could have a substantial impact on the way we trade with clients, transparency requirements, the willingness to deploy our risk capital, and the way we distribute products.

Bank structural reforms requiring either separation of certain business activities or the creation of independently organized and capitalized subsidiaries continue to be discussed. In Germany, the end date for the cessation or separation of proprietary trading and certain other activities from deposit-taking under the German Act on the Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups (the Separation Act) has been extended for us by the BaFin to June 30, 2017. In the U.S., Federal Reserve Board final rules on enhanced prudential standards for the U.S. operations of foreign banking organizations require us to establish or designate a U.S. intermediate holding company (IHC) by July 1, 2016 and transfer the ownership interests of substantially all of our U.S. subsidiaries to this U.S. intermediate holding company. Work is ongoing to ensure compliance with these rules and a fully operating IHC by the middle of the year. As of July 21, 2015, our activities must be in conformance with the prohibitions and restrictions of the regulations implementing Section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, commonly referred to as the Volcker Rule , except for certain extensions for legacy funds which are expected to last until July 21, 2017 and possible further extensions for illiquid funds.

Capital planning and stress testing will continue to be a focus in 2016. In 2015, DBTC submitted its first capital plan and related information to the Federal Reserve Board in connection with the 2015 CCAR process. Although the Federal Reserve Board objected to DBTC s capital plan on qualitative grounds, the Federal Reserve Board confirmed that DBTC s capital ratios would significantly exceed the quantitative minimum requirements even under the supervisor s hypothetical severely adverse economic stress scenario. We will be incorporating enhancements to our processes as we submit our 2016 CCAR filings for DBTC. At the international level, the BCBS has started working on global standards for stress testing as part of its work-plan.

Recovery and resolution the major jurisdictions where we have significant group operations finalized implementation of the Financial Stability Board (FSB) Key Attributes for Effective Resolution Regimes. In particular, the European Union Bank Recovery and Resolution Directive (BRRD) was implemented in Germany and in the United Kingdom on January 1, 2015. The BRRD includes powers of the resolution authority to require legal and operational changes to bank structures to ensure resolvability, to transfer to another legal entity shares, assets, rights or liabilities of a bank which is failing or likely to fail, to reduce, including to reduce to zero, the nominal amount of shares, and to cancel shares. Furthermore, it may order the full or partial write-down of hybrid capital instruments and certain eligible liabilities or their conversion into shares (commonly referred to as bail-in). In addition, in January 2016, the European Union regulation (the SRM Regulation) establishing the Single Resolution Mechanism (SRM) and the Single Resolution Fund for banks domiciled in European Union member states participating in the SSM became fully effective and created a harmonized mechanism for the application of the BRRD under responsibility of a single European resolution authority (referred to as the Single Resolution Board or SRB). With the aim of ensuring cross-border group resolution of globally active banks, the BRRD and the SRM Regulation also contain rules regarding the cooperation with non-European Union member states and recognition of non-European Union resolution proceedings.

Loss-absorbing capacity and MREL the FSB published a final term-sheet in November 2015 providing a global framework for minimum total loss-absorbing capacity (TLAC). The standard is designed to ensure that global systemically important banks (G-SIBs), such as us, maintain enough capital and long-term debt instruments that can be effectively bailed-in to absorb losses and recapitalize the bank. The TLAC standard is proposed to apply starting from January 1, 2019, and its ultimate impact on us will depend on how it is implemented into German law and into the laws of the countries in which we have significant subsidiaries. On October 30, 2015, the Federal Reserve Board proposed rules implementing the TLAC standard in the United States, with requirements that would apply to the U.S. IHCs of non-U.S. G-SIBs (such as ours). In addition, in the European Union, the SRM Regulation and national legislation implementing the BRRD require banks to meet a specific requirement for own funds and eligible liabilities (MREL) in order to prevent them from structuring their liabilities in a way that impedes the effectiveness of a bail-in or other resolution tools. The minimum MREL requirement will be determined for banks on a case-by-case basis by the competent resolution authorities, and the European Union is expected to review implementation of MREL in October 2016 in connection with implementation of the TLAC standard into European Union law. We expect that a specific MREL requirement will be determined for us in the course of 2016. Furthermore, in November 2015, the German Resolution Mechanism Act (Abwicklungsmechanismusgesetz) was published, which adapted German bank resolution laws to the SRM and changed the ranking in insolvency of certain senior unsecured debt instruments issued by banks in order to ensure that they would absorb losses after contractually subordinated debt but ahead of other senior liabilities in a resolution or insolvency proceeding. This new order of priority applies to insolvency proceedings commenced, and resolution measures imposed upon the relevant bank, on or after January 1, 2017, with effect for senior unsecured debt instruments outstanding at this time. The German Resolution Mechanism Act aims to facilitate bail-in while respecting the principle that no creditor should be worse off than in insolvency and also help meeting TLAC requirements.

Measures to further harmonize legislation in the European Union, including revised European Union legislation on anti-money laundering, payment services and distribution of bank products.

Several regulatory proposals (including in connection with the implementation of existing laws) as discussed below are being contemplated which have not yet been finalized. Such proposals, depending on whether and in what form they become law, might have a material impact on our activities, balance sheet and profitability. To the extent possible, the impact of such proposals on us has been taken into account in our Strategy 2020 projections and objectives. The proposals include:

- **Further revisions to the Basel 3 framework**, in particular several BCBS proposals that have yet to be finalized and implemented, including the proposed changes to the standardized approaches mentioned above, new rules for interest rate in the banking book and Credit Valuation Adjustments. On April 15, 2014, the BCBS published a standard, yet to be implemented, that would restrict a bank s exposures to a single counterparty to 25 % of its Tier 1 capital (instead of 25 % of the sum of its Tier 1 and Tier 2 capital) and further limit exposures between banks designated as global systemically important banks such as us, to 15 % of Tier 1 capital. The proposal, if implemented, would be applicable starting on January 1, 2019. Additionally, certain areas are subject to ongoing review and revision, such as the calibration of the leverage ratio, capitalization for exposures to central counterparties and treatment of sovereign debt.
- **Further structural changes**, as a result of the separation of certain business activities considered risky under the proposed European Union regulation on structural measures improving the resilience of European Union credit institutions or as a result of changes in the bank organization potentially required by the Single Resolution Board to ensure resolvability.
- **Additional direct costs as a result of financial sector specific tax and levies**, for example the European Union enhanced cooperation financial transaction tax, which is still under negotiation, and contributions to the Single Resolution Fund, which starts from January 1, 2016. Legislation to increase contributions to statutory deposit guarantee schemes was also implemented in the European Union and a new proposal to create a eurozone deposit insurance system has been published by the European Commission.
- **Additional regulation of specific financial market activities**, such as money market funds, benchmarks and indices, and securities financing transactions. Possible future proposals on capital markets, including investment funds, financial market infrastructures, and other proposals addressing so-called shadow banking activities may also impact us.
- **Cyber crime**, which continued to be a focus of policy makers and the industry in 2015. Political work on this topic will likely continue in 2016 and beyond to seek a consistent regulatory and best-practice framework globally. Global banks are a key focus for future political initiatives on the prevention of cyber crime and legislative proposals in this area may have a material impact on us.
- **Further measures to harmonize banking regulation and supervision in the European Union** such as initiatives by the EBA and the ECB to reduce existing options and discretions and harmonize national supervisory practices under European Union legislation in connection with the CRR/CRD 4 legislative package.

Climate change, environmental and social issues

Many governments, corporations and investors are extending their focus on climate change, environmental and social issues by enacting legislation, changing business models, setting business operational policies and changing investment decision making. This activity has been accelerating in the lead up to the publication of the revised United Nation s Sustainable Development Goals and the COP 21 Paris climate summit in December 2015. Respected authorities continue to estimate that the total impact of these actions will be insufficient to reduce the risks of climate change, increasing the risks to society and the economy from more frequent and stronger extreme weather events. However, at COP 21 in December 2015, the UN achieved a global agreement on climate, with the aim of keeping global warming below 2°C and accelerating the transformational changes needed to meet the challenge. This requires public and private sectors working together to achieve a common goal. The financial sector has a critical role to play in creating the financial infrastructure needed to facilitate the transition to a low-carbon economy.

The number and strength of government, corporate and investor actions are expected to continue to increase over time as climate change has a greater impact on society. This affects the financial services industry, in particular in connection to increasing demand for financing of projects that contribute to or mitigate climate change, as well as other environmental and societal impacts. Projects and products that contribute to climate change or have other negative

environmental or social impacts, as well as their financing and other services for these projects, are being reviewed more critically by investors, customers, environmental authorities, non-governmental organizations and others. At Deutsche Bank such a review is conducted based on the Environmental and Social Risk Framework. Where our own assessment of these issues so indicates, we may abstain from participating in such projects.

By contrast, projects and products that aim to mitigate climate change or other environmental pressures are increasingly seeking financing and other financial services; these offer growth opportunities for many of our businesses. Research indicates that companies incorporating the best environmental, social and governance practices are able to raise capital at a lower cost and may be able to achieve superior risk-adjusted returns. Moreover, we note that investors, customers and others increasingly take the overall approach of companies to climate change, including the direct and indirect carbon emissions of their operations, into consideration in their decisions.

We have undertaken a number of measures to reduce the carbon emissions of our business operations. Since 2012 our business operations have been carbon neutral. In 2015 we became the first commercial bank to become accredited to act as implementing entity for the UN Green Climate Fund, alongside public institutions such as the World Bank, European Bank for Reconstruction and Development and Inter-American Development Bank. In addition, we invested 800 million into a portfolio of high quality Green Bonds, as part of our goal of investing 1 billion into this developing market. This investment will be primarily in Green Bonds issued by Sovereigns, Supranationals and Agencies, as part of our liquidity reserve investments.

Regulation and Supervision

Overview

Our operations throughout the world are regulated and supervised by the relevant authorities in each of the jurisdictions where we conduct business. Such regulation relates to licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organizational and reporting requirements. It affects the type and scope of the business we conduct in a country and how we structure specific operations. In reaction to the crisis in the financial markets, the regulatory environment has undergone and is still undergoing significant changes.

In December 2010, the Basel Committee on Banking Supervision proposed revised minimum capital adequacy and liquidity standards that were significantly more stringent than the then-existing requirements. The set of comprehensive changes to the capital adequacy framework published by the Basel Committee, known as Basel 3, was implemented into European Union law by a legislative package referred to as CRR/CRD 4 . The CRR/CRD 4 legislative package includes a European Union regulation (which is referred to as the Capital Requirements Regulation or CRR) which is directly enforceable as law in every member state of the European Union, and a European Union directive (which is referred to as the Capital Requirements Directive or CRD 4), which has been implemented into national (in our case German) law. CRR/CRD 4 contains, among other things, detailed rules on regulatory banking capital, increased capital requirements and the introduction of additional capital buffers, tightened liquidity standards and a non-risk based leverage ratio. Most of the new rules came into effect on January 1, 2014, with capital requirements and buffers increasing from year to year.

In addition to the continued implementation and refinement of the CRR/CRD 4 legislative package, the European Union is pursuing a deeper integration and harmonization of banking regulation and supervision by establishing a banking union. Currently, the banking union consists of two pillars, the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM) for banks domiciled in the eurozone as well as those domiciled in other member states of the European Union member states that decide to participate in the SSM and the SRM. The banking union shall be completed by a third pillar, a common European Deposit Insurance Scheme (EDIS), and is underpinned by an increasingly harmonized regulatory framework (the so-called single rulebook) for financial services in the European Union. While the SSM and the SRM have already become effective, the EDIS is currently debated among member states, based upon a proposal of the European Commission published on November 24, 2015.

Under the SSM, since November 4, 2014, the European Central Bank (ECB) has become the primary supervisor of significant credit institutions (such as us) and their banking affiliates in the relevant member states. The competent national authorities continue to supervise the remaining, less significant banks under the oversight of the ECB. The SSM is based on a European Union regulation (which is referred to as the SSM Regulation) which is directly enforceable as law in every participating member state.

The SRM, which came into force on January 1, 2016, centralizes at a European level the key competences and resources for managing the failure of any bank in the participating member states. Under the SRM, broad resolution powers with respect to banks domiciled in the participating member states have been granted to the Single Resolution Board (SRB) as the single European resolution authority and to the competent national resolution authorities. Resolution powers in particular include the power to reduce, including to zero, the nominal value of shares, or to cancel shares outright, and to write down certain eligible unsecured liabilities, including to zero, or convert them into equity (commonly referred to as bail-in). The SRB is also in charge of the Single Resolution Fund (SRF), a pool of money financed by the banking sector which is set up to ensure that medium-term funding support is available for purposes of restructuring banks under the SRM. The SRM comprises a European Union regulation (referred to as the SRM Regulation) which is directly enforceable as law in every participating member state and a European Union directive (referred to as the Bank Recovery and Resolution Directive or BRRD) which has been implemented into national (in our case German) law. The BRRD is also applicable to member states that do not participate in the SRM.

In February 2012, the European Commission established a High-level Expert Group chaired by Erkki Liikanen to examine possible reforms to the structure of the European Union s banking sector. In its final report of October 2, 2012 (the so-called Liikanen report), the expert group proposed, inter alia, a legal separation of certain particularly risky financial activities from deposit-taking banks within a banking group. Taking into account the recommendations of the Liikanen report, the German Federal Parliament, in 2013, adopted the German Act on the Separation of Risks and Recovery and Resolution Planning for Credit Institutions and Banking Groups (Trennbankengesetz, the Separation Act). From July 1, 2016 (unless such period is extended, as it has been for us, to June 30, 2017), the Separation Act prohibits deposit-taking banks and their affiliates from engaging in certain activities unless these activities are transferred to a separate legal entity as further describe below. Also based upon the Liikanen report, the European Commission published on January 29, 2014 a proposal which, if enacted, will impose measures similar to the Separation Act. The proposal is currently being negotiated at the European level and its ultimate impact on us will depend on the outcome of such negotiations.

Finally, as discussed below under Regulation and Supervision in the United States , in July 2013 U.S. federal bank regulators issued final rules implementing many elements of the Basel 3 framework and other U.S. capital reforms.

Further changes continue to be under consideration in the jurisdictions in which we operate. While the extent and nature of these changes cannot be predicted now, they may include a further increase in regulatory oversight and enhanced prudential standards relating to capital, liquidity, leverage, employee compensation, conduct of business, limitations on activities and other aspects of our operations that may have a material effect on the businesses and the services and products that we will be able to offer.

The following sections present a description of the supervision of our business by the authorities in Germany, our home market, in the contracting states to the European Economic Area, and in the U.S., which we view as the most significant for us. Beyond these regions, local country regulations generally have limited impact on our operations that are unconnected with these countries.

Regulation and Supervision in Germany Basic Principles

We are authorized to conduct banking business and to provide financial services as set forth in the German Banking Act (Kreditwesengesetz) and the CRR. We are subject to comprehensive regulation and supervision by the ECB, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and the Deutsche Bundesbank (Bundesbank), the German central bank.

Since November 4, 2014, we are directly supervised by the ECB, which is the primary supervisor of significant credit institutions and their banking affiliates domiciled in the eurozone as well as those domiciled in other member states of the European Union that decide to participate in the SSM. The ECB is responsible for issuing new licenses to credit institutions and for assessing significant ownership changes in credit institutions established in a participating member state where notice of such changes must be provided, in each case regardless of whether an institution is significant or not. With respect to us and other significant credit institutions, the ECB is the primary supervisor and is responsible for most tasks of prudential supervision, such as those regarding compliance with regulatory requirements set forth in CRR/CRD 4 concerning own funds, large exposure limits, leverage, liquidity, securitizations, governance and risk management requirements. The ECB carries out its supervisory functions through a Joint Supervisory Team (JST) established for the Group. The JST is led by the ECB and comprises staff from the ECB and national supervisory authorities, including the BaFin and the Bundesbank.

The BaFin continues to be our supervisor for regulatory matters with respect to which we are not supervised by the ECB. These include the rules on business conduct in the securities markets and the regulation of anti-money laundering, terrorist financing and payment services, as well as certain special areas of bank regulation, such as those related to the issuance of covered bonds (Pfandbriefe) and the supervision of German home loan banks (Bausparkassen). Generally, the BaFin also continues to supervise us with respect to those requirements under the German Banking Act that are not based upon European law. The Bundesbank supports the BaFin and the ECB and closely cooperates with them. The cooperation includes the ongoing review and evaluation of reports submitted by us and of our audit reports as well as assessments of the adequacy of our capital base and risk management systems. The ECB, the BaFin and the Bundesbank receive comprehensive information from us in order to monitor our compliance with applicable legal requirements and to obtain information on our financial condition. Generally, supervision by the ECB (together with the BaFin and the Bundesbank) applies on an unconsolidated basis (company only) and on a consolidated basis (the company and the entities consolidated with it for German regulatory purposes). Banks forming part of a consolidated group may waive the application of capital adequacy requirements, large exposure limits and certain organizational requirements on an unconsolidated basis if certain conditions are met. Deutsche Bank AG meets these conditions and has had application of these rules waived since January 1, 2007.

The ECB and the BaFin have extensive supervisory and investigatory powers, including the ability to issue requests for information, to conduct regulatory investigations and on-site inspections, and to impose monetary and other sanctions.

We are in compliance with the German and European laws that are applicable to our business in all material respects.

The German Banking Act and the CRR

The German Banking Act and the CRR contain the principal rules for German banks, including the requirements for a banking license, and regulate the business activities of German banks. In particular, the German Banking Act requires that an enterprise that engages in one or more of the activities defined in the German Banking Act as banking business or financial services in Germany must be licensed as a credit institution (Kreditinstitut) or financial services institution (Finanzdienstleistungsinstitut), as the case may be. Deutsche Bank AG is licensed as a credit institution.

Significant parts of the regulatory framework for banks in the European Union are governed by the CRR. The CRR primarily sets forth the requirements applicable to us relating to regulatory capital, risk-based capital adequacy, monitoring and control of large exposures, consolidated supervision, leverage and liquidity. Additional regulatory and implementing technical standards are also applicable to us, and are developed by the European Banking Authority (EBA) and adopted by the European Commission. Certain other requirements applicable to us including those with respect to additional capital and organizational requirements, are set forth in the German Banking Act and other German laws.

The German Securities Trading Act

Under the German Securities Trading Act (Wertpapierhandelsgesetz), the BaFin regulates and supervises securities trading in Germany. The German Securities Trading Act contains, among other things, disclosure and transparency rules for issuers of securities that are listed on a

German exchange and prohibits insider trading with respect to certain listed securities. The German Securities Trading Act also contains rules of conduct. These rules of conduct apply to all businesses that provide securities services. Securities services include, in particular, the purchase and sale of securities or derivatives for others and the intermediation of transactions in securities or derivatives and certain types of investment advice. The BaFin has broad powers to investigate businesses providing securities services to monitor their compliance with the rules of conduct and the reporting requirements. In addition, the German Securities Trading Act requires an independent auditor to perform an annual audit of the securities services provider s compliance with its obligations under the German Securities Trading Act.

The European Union has completed several legislative proposals which result in further regulation of securities trading and the trading in derivatives in particular. Notably, the European Union adopted the European Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR), which became effective on August 16, 2012. EMIR introduced requirements for standardized over-the-counter derivatives to be centrally cleared and derivative transactions to be reported to trade repositories. EMIR also includes additional capital and margin requirements for non-cleared trades. While a number of the compliance requirements introduced by EMIR have come into effect, the European Supervisory Authorities (mainly the European Securities and Markets Authority) are still in the process of finalizing certain implementing rules mandated by EMIR. Further legislative measures such as the Markets in Financial Instruments Directive (MiFID 2) and Regulation (MiFIR) and the Market Abuse Directive (MAD 2) and Regulation (MAR) provide for, among other things, greater regulation and oversight by covering additional markets and instruments, extension of pre- and post-trade transparency rules from equities to all financial instruments, stricter market abuse rules, greater restrictions on operating trading platforms, and greater sanctioning powers. MiFID 2/MiFIR will also introduce a trading obligation for those OTC derivatives which are subject to mandatory clearing and which are sufficiently standardized, and new investor protection rules which will significantly impact the way we distribute products. Originally, most of the requirements introduced by MiFID 2/MiFIR and MAD 2/MAR were foreseen to be applicable to us starting on January 3, 2017 or July 3, 2016, respectively. On February 10, 2016, however, the European Commission published proposals to delay the application of MiFID 2/MiFIR by one year to January 3, 2018. This needs now to be agreed by the bodies of the European Union through the co-decision process. MiFID 2 and MAD 2 need yet to be transposed into national law, and the European Securities and Markets Authority (ESMA) and the European Commission have yet to finalize several related implementing regulations.

Capital Adequacy Requirements

Since January 1, 2014, the minimum capital adequacy requirements for banks are primarily set forth in the CRR. The CRR requires German banks to maintain an adequate level of regulatory capital in relation to their risk positions. Risk positions (commonly referred to as risk-weighted assets) include credit risks, market risks and operational risks (including, among other things, risks related to certain external factors, as well as to technical errors and errors of employees). The most important type of capital for compliance with the capital requirements under the CRR (see below) is Common Equity Tier 1 capital. Common Equity Tier 1 capital primarily consists of share capital, retained earnings and other reserves, subject to certain regulatory adjustments. Another component of capital is "Additional Tier 1 capital. Generally, all instruments recognized as Additional Tier 1 capital must be written down, or converted into Common Equity Tier 1 capital when the Common Equity Tier 1 capital ratio of the financial institution falls below a minimum of 5.125 %, although regulators may require an earlier conversion, for example for stress-testing purposes. Common Equity Tier 1 capital and Additional Tier 1 capital together constitute Tier 1 capital. Tier 1 capital requirements are aimed at ensuring the ability to absorb losses on a going concern basis. The other type of capital is Tier 2 capital which generally consists of long-term subordinated debt instruments and must be able to absorb losses on a gone concern basis. Tier 1 capital and Tier 2 capital together constitute own funds . Pursuant to the CRR, hybrid capital instruments that qualified as Tier 1 or Tier 2 capital under Basel 2.5 cease to qualify as such and will be gradually phased out through the end of 2021. Tier 3 capital is no longer recognized as own funds under the CRR. In addition, the CRR tightened the regime for certain deductions from capital.

Under the CRR, banks are required to maintain a minimum ratio of Tier 1 capital to risk-weighted assets of 6 % and a minimum ratio of Common Equity Tier 1 capital to risk-weighted assets of 4.5 %. The minimum total capital ratio of own funds to risk-weighted assets is 8 %.

The German Banking Act, as amended by the CRR/CRD 4 legislative package, also requires banks to build up a mandatory capital conservation buffer (Common Equity Tier 1 capital amounting to 2.5 % of risk-weighted assets), and authorizes the BaFin to require banks to build up an additional counter-cyclical buffer (Common Equity Tier 1 capital of generally 0 % to 2.5 % of risk-weighted assets, or more in particular circumstances) during periods of high credit growth. In addition, the BaFin may require banks to build up a systemic risk buffer (Common Equity Tier 1 capital of between 1 % and 3 % of risk-weighted assets for all exposures and in exceptional cases up to 5 % for domestic and third-country exposures) to prevent and mitigate long term non-cyclical systemic or macro-prudential risks not otherwise covered by CRR/CRD 4. Global systemically important banks (such as us) will be subject to an additional capital buffer of between 1 % and 3.5 % of risk-weighted assets which will be determined for the banks concerned based on a scoring system measuring their systemic importance. The provisions in the German Banking Act on capital buffers (except those for the systemic risk buffer, which are already fully effective) are being phased in gradually through January 1, 2019. The systemic risk buffer and buffers for systemically important banks will generally not be cumulative; only the higher of these two buffers will apply. If a bank fails to build up the required capital buffers, it will be subject to restrictions on the pay-out of dividends, share buybacks and discretionary compensation payments. The ECB may require us to maintain higher capital buffers than those required by the BaFin.

The Basel 3 framework also proposes a non-risk based leverage ratio as a complement to the risk-based capital requirements. While the CRR does not require banks immediately to comply with a specific leverage ratio, banks are required to report and publish their leverage ratios for a future assessment and calibration of the leverage ratio. According to a delegated act adopted by the European Commission on October 10, 2014, the way we calculate our exposure measure for the leverage ratio under the CRR was revised significantly. It is expected that banks will be required to fully comply with the leverage ratio starting in 2018.

The ECB may also, under certain circumstances, impose capital requirements on individual banks which are more stringent than the statutory requirements set forth in the CRR, the German Banking Act or the related regulations. In this context, in December 2014, the EBA published its final guidelines for common procedures and methodologies for the supervisory review and evaluation process (SREP). Competent supervisory authorities, including the ECB, are required to review the arrangements, strategies, processes and mechanisms of supervised banks on a regular basis, in order to evaluate risks to which they are or might be exposed, risks they could pose to the financial system, and risks revealed by stress testing, taking into account the nature, scale and complexity of their activities. At the end of the process, the competent supervisory authority prepares an SREP decision setting out, depending on the outcome of the SREP, specific capital and liquidity requirements for the supervised bank. In addition, also based on the outcome of the SREP, the competent supervisory authority may take a range of other measures in response to shortcomings in a bank s governance and risk management processes as well as its capital or liquidity position, such as prohibiting dividend payments to shareholders or distributions to holders of regulatory capital instruments.

For details of Deutsche Bank s regulatory capital, see Management Report: Risk Report: Regulatory Capital on pages 125 through 131 of our Annual Report 2015.

Limitations on Large Exposures

The CRR also contains the primary restrictions on large exposures, which limit a bank s concentration of credit risks. The German Banking Act and the Large Exposure Regulation (Großkredit- und Millionenkreditverordnung) supplement the CRR. For example, the Large Exposure Regulation includes exemptions (in addition to those contained in the CRR) from the applicability of limits to large exposures. Under the CRR, our exposure to a customer (and any customers affiliated with it) is deemed to be a large exposure when the value of such exposure is equal to or exceeds 10 % of our eligible regulatory capital . All exposures to a single customer (and customers affiliated with it) are aggregated for these purposes. In general, no large exposure may exceed 25 % of our eligible regulatory capital. Eligible regulatory capital for this purpose means the sum of Tier 1 capital and Tier 2 capital which may not exceed one third of Tier 1 capital. During a transitional period, eligible regulatory capital may include Tier 2 capital up to 50 % of Tier 1 capital during 2016. If the customer is a credit institution or investment firm, the exposure is limited to the higher of 25 % of our eligible regulatory capital or 150 million. Competent authorities may set a lower limit than 150 million. On April 15, 2014, the Basel Committee published a standard, yet to be implemented, that would restrict a bank s exposures to a

single counterparty to 25 % of its Tier 1 capital (instead of 25 % of the sum of its Tier 1 and Tier 2 capital) and further limit exposures between banks designated as global systemically important banks such as us, to 15 % of Tier 1 capital. The proposal, if implemented, would be applicable starting on January 1, 2019.

Under certain conditions, the limits to large exposures may be exceeded by the exposures on the bank s trading book. In this case, the bank must meet an additional own funds requirement.

Consolidated Regulation and Supervision

Deutsche Bank AG, headquartered in Frankfurt am Main, Germany, is the parent institution of the Deutsche Bank Group of institutions (the regulatory group), which is subject to the supervisory provisions of the KWG and the CRR. A regulatory group of institutions (Institutsgruppe) consists of an institution (meaning a credit institution or an investment firm within the meaning of the CRR that is responsible for the consolidation of the group) as the parent company, and all other institutions and financial institutions (comprising inter alia financial holding companies, payment institutions and asset management companies) that are the parent company s subsidiaries as defined in the CRR or that are consolidated voluntarily. The provisions of the German Banking Act and the CRR on consolidated supervision require that a group of institutions taken as a whole complies with the requirements on capital adequacy, the limitations on large exposures and other prudential requirements under the CRR. The ECB is responsible for our supervision on a consolidated basis.

Financial groups which offer services and products in various financial sectors (banking and securities business, insurance and reinsurance business) are subject to supplementary supervision as a financial conglomerate (Finanzkonglomerat) once certain thresholds have been exceeded. Supervision of financial conglomerates comprises requirements regarding own funds, risk concentration, risk management, transactions within the conglomerate and organizational matters. We are a financial conglomerate and therefore are required to report capital adequacy requirements and risk concentrations also on a conglomerate level. In addition, we are required to report significant conglomerate internal transactions as well as significant risk concentrations. Our supervision at the conglomerate level is coordinated by the ECB.

Liquidity Requirements

The CRR introduced a new liquidity coverage requirement intended to ensure that banks have an adequate stock of unencumbered high quality liquid assets that can be easily and quickly converted into cash to meet their liquidity needs for a 30 calendar day liquidity stress scenario. The required liquidity coverage ratio is calculated as the ratio of a bank s liquidity buffer to its net liquidity outflows. Also, banks must regularly report the composition of the liquid assets in their liquidity buffer to their competent authorities. The liquidity coverage requirement is being gradually phased in through January 1, 2018, with a minimum required level of liquidity of 70 % in 2016, which will subsequently be increased to 80 % in 2017 and 100 % in 2018. Details on the liquidity coverage requirement have been set forth by the European Commission in implementing legislation, which became applicable on October 1, 2015. The ECB supervises our compliance with the liquidity coverage requirement under the CRR.

In addition, Basel 3 contains a proposal to introduce a net stable funding ratio (NSFR) to reduce medium- to long-term funding risks by requiring banks to fund their activities with sufficiently stable sources of funding over a one-year period. The CRR contains interim reporting requirements on stable funding but does not include substantive provisions relating to the NSFR. On October 31, 2014, the Basel Committee on Banking Supervision published its final standards for the NSFR pursuant to which the NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. The NSFR is expected to become a minimum standard for banks by January 1, 2018. Since the proposal has not yet been implemented into binding European law, the European Commission needs to decide by December 31, 2016 whether and how to introduce the NSFR into European law.

National liquidity requirements under the German Banking Act and the German Liquidity Regulation (Liquiditäts- verordnung) will continue to be applicable to us until the full introduction of the liquidity coverage requirement at the European level on January 1, 2018. The German Banking Act generally requires banks and certain financial services institutions to invest their funds so as to maintain adequate liquidity at all times. The German Liquidity Regulation provides for minimum liquidity requirements based upon a comparison of the remaining terms of certain assets and liabilities. It requires maintenance of a ratio (Liquiditätskennzahl or liquidity ratio) of liquid assets to liquidity reductions expected during the month following the date on which the ratio is determined of at least one. The German Liquidity Regulation also allows banks and financial services institutions subject to it to use their own methodology and procedures to measure and manage liquidity risk if the BaFin has approved such methodology and procedures. The liquidity ratio (and estimated liquidity ratios for the next eleven months) must be reported to the Bundesbank on a monthly basis. Generally, the liquidity requirements do not apply on a consolidated basis.

The ECB and the BaFin may impose on individual banks liquidity requirements which are more stringent than the general statutory requirements if such bank s continuous liquidity would otherwise not be ensured.

Financial Statements and Audits

As required by the German Commercial Code (Handelsgesetzbuch), we prepare our non-consolidated financial statements in accordance with German GAAP. Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards, and our compliance with capital adequacy requirements and large exposure limits is determined solely based upon such consolidated financial statements.

Under German law, we are required to be audited annually by a certified public accountant (Wirtschaftsprüfer). The accountant is appointed at the shareholders meeting. However, the supervisory board mandates the accountant and supervises the audit. The BaFin must be informed of and may reject the accountant s appointment. The German Banking Act requires that a bank s auditor inform the BaFin of any facts that come to the accountant s attention which would lead it to refuse to certify or to limit its certification of the bank s annual financial statements or which would adversely affect the bank s financial position. The auditor is also required to notify the BaFin in the event of a material breach by management of the articles of association or of any other applicable law. The auditor is required to prepare a detailed and comprehensive annual audit report (Prüfungsbericht) for submission to the bank s supervisory board, the BaFin and the Bundesbank. The BaFin and the Bundesbank share their information with the ECB.

Investigative and Enforcement Powers

Investigations and Official Audits

The ECB and the BaFin may conduct audits of banks on a random basis, as well as for cause. In particular, the ECB may audit our compliance with requirements with respect to which it supervises us, such as those set forth in CRR/CRD 4. The BaFin may also decide to audit our compliance with requirements with respect to which it supervises us, such as those relating to business conduct in the securities markets and the regulation of anti-money laundering, terrorist financing and payment services, as well as certain special areas of bank regulation, such as those related to the issuance of covered bonds (Pfandbriefe) and the supervision of German home loan banks (Bausparkassen).

The ECB as well as the BaFin may require a bank to furnish information and documents in order to ensure that the bank is complying with applicable bank supervisory laws. The ECB or the BaFin may conduct investigations without having to state a reason therefor. Such investigations may also take place at a foreign entity that is part of a bank s group for regulatory purposes. Investigations of foreign entities are limited to the extent that the law of the jurisdiction where the entity is located restricts such investigations.

The ECB and the BaFin may attend meetings of a bank s supervisory board and shareholders meetings. They also have the authority to require that such meetings be convened.

Supervisory and Enforcement Powers

The ECB has a wide range of enforcement powers in the event it discovers any irregularities concerning requirements with respect to which it supervises us. It may, for example,

- impose additional own funds or liquidity requirements in excess of statutory requirements;
- restrict or limit a bank s business;
- require the cessation of activities to reduce risk;
- require a bank to use net profits to strengthen its own funds;
- restrict or prohibit dividend payments to shareholders or distributions to holders of regulatory capital instruments;
- remove the members of the bank s management or supervisory board members from office; or
- prohibit them from exercising their current managerial capacities.

To the extent necessary to carry out the tasks granted to it, the ECB may also require national supervisory authorities to make use of their powers under national law. If these measures are inadequate, the ECB may revoke the bank s license. Furthermore, the ECB has the power to impose severe administrative penalties in case of breaches of directly applicable European Union laws, such as the CRR, or of applicable ECB regulations and decisions. Penalties imposed by the ECB may amount to up to twice the amount of profits gained or losses avoided because of the violation, or up to 10 % of the total annual turnover of the relevant entity in the preceding business year. In addition, where necessary to carry out the tasks granted to it, the ECB may also require that the BaFin initiate proceedings to ensure that appropriate penalties are imposed on the affected bank.

The BaFin also retains a wide range of enforcement powers. As discussed above, it may take action if instructed by the ECB in connection with supervisory tasks granted to the ECB. With respect to supervisory tasks not granted to the ECB, the BaFin may still take, as in the past, action upon its own initiative. In particular, if a bank is in danger of defaulting on its obligations to creditors, the BaFin may take emergency measures to avert default. These emergency measures may include:

- issuing instructions relating to the management of the bank;
- prohibiting the acceptance of deposits and the extension of credit;
- prohibiting or restricting the bank s managers from carrying on their functions;
- prohibiting payments and disposals of assets;
- closing the bank s customer services; and
- prohibiting the bank from accepting any payments other than payments of debts owed to the bank.

The BaFin may also impose administrative pecuniary penalties under the German Banking Act and other German laws. Penalties under the German Banking Act may amount to generally up to 5 million. If the economic benefit derived from the offense is higher, the BaFin may impose penalties of up to 10 % of the net turnover of the preceding business year or double the amount of the economic benefit derived from the violation.

Finally, violations of the German Banking Act may result in criminal penalties against the members of the Management Board or senior management.

Recovery and Resolution Planning, Restructuring Powers

Germany participates in the SRM, which centralizes at a European level the key competences and resources for managing the failure of any bank in member states of the European Union participating in the banking union. The SRM is based on the SRM Regulation and the BRRD, which was implemented in Germany through the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz, SAG). In addition, the German Resolution Mechanism Act (Abwicklungsmechanismusgesetz) adapted German bank resolution laws to the SRM. The SRM Regulation and the German Recovery and Resolution Act require the preparation of recovery and resolution plans for banks and grant broad powers to public authorities to intervene in a bank which is failing or likely to fail. For a bank directly supervised by the ECB, such as us, the SRB assesses its resolvability and may require legal and operational changes to the bank s structure to ensure its resolvability. In the event that a bank is failing or likely to fail and certain other conditions are met, the SRB is responsible for adopting a resolution scheme for resolving the bank pursuant to the SRM Regulation. The European Commission and, to a lesser extent, the Council of the European Union, have a role in endorsing or objecting to the resolution scheme proposed by the SRB. The resolution scheme would be addressed to and implemented by the competent national resolution authorities (in Germany: the Federal Agency for Financial Market Stabilization, FMSA) in line with national company and insolvency law.

Resolution measures that could be imposed upon a failing bank may include a range of measures including the transfer of shares, assets or liabilities of the bank to another legal entity, the reduction, including to zero, of the nominal value of shares, the dilution of shareholders of a failing bank or the cancellation of shares outright, or the amendment, modification or variation of the terms of the bank s outstanding debt instruments, for example by way of deferral of payments or a reduction of the applicable interest rate. Furthermore, certain eligible unsecured liabilities, in particular certain senior unsecured debt instruments specified by the Resolution Mechanism Act, may be written down, including to zero, or converted into equity (commonly referred to as bail-in). In addition, the SRB is charged with administering the SRF, a pool of money which is financed by bank levies raised at national level and is intended to reach a target level of 1 % of insured deposits of all banks in member states participating in the SRM by the end of 2023 (currently approximately 55 billion). It will be used for resolving failing banks after other options, such as the bail-in tool, have been exhausted. Financial public support for a failing bank should only be used as a last resort, after having assessed and exploited, to the maximum extent possible, resolution measures set forth in the SRM Regulation and the German Recovery and Resolution Act, including the bail-in tool.

Also under the German Resolution Mechanism Act, obligations of banks such as us under certain, specifically defined senior unsecured debt instruments issued by them would rank junior to, without constituting subordinated debt, in an insolvency proceeding of the issuing bank, all other outstanding unsecured unsubordinated obligations of such bank, but continue to rank in priority to contractually or statutorily subordinated debt instruments. Similarly, such senior unsecured debt instruments, in a resolution proceeding, would be bailed in first, prior to any other unsubordinated debt. This order of priority applies to insolvency proceedings commenced, and resolution measures imposed upon the relevant bank, on or after January 1, 2017.

To prevent banks from structuring their liabilities in a way that impedes the effectiveness of the bail-in or other resolution tools, the SRM Regulation and the Recovery and Resolution Act require banks to meet strict minimum requirements for own funds and eligible liabilities (MREL) which will be determined for banks on a case-by-case basis by the competent resolution authorities. The minimum MREL requirement will be calculated as the amount of own funds and liabilities eligible for a bail-in expressed as a percentage of the total liabilities and own funds.

In addition, on November 9, 2015, the Financial Stability Board (FSB) published a new standard that will require, when implemented as law, global systemically important banks (G-SIBs), such as us, to meet a new minimum requirement for total loss-absorbing capacity (TLAC) starting on January 1, 2019. The TLAC standard is designed to ensure that failing G-SIBs have sufficient loss-absorbing and recapitalization capacity available in resolution and will apply to G-SIBs after legal implementation in their respective jurisdictions. The FSB has proposed that competent authorities determine a firm-specific minimum TLAC requirement for each G-SIB of at least 16 % of risk-weighted assets as from January 1, 2019, rising to at least 18 % from January 1, 2022. In addition, the FSB has proposed that minimum TLAC must be at least 6 % of the Basel 3 leverage ratio denominator as from January 1, 2019, rising to 6.75 % from January 1, 2022. The ultimate impact of any TLAC requirements on us will depend on how the proposals are implemented into applicable law.

In addition to the SRM and the German Recovery and Resolution Act, under the German Credit Institution Reorganization Act (Gesetz zur Reorganisation von Kreditinstituten) a bank may submit a stabilization plan to the BaFin if, based upon the circumstances, it is likely that the bank will not be able to continuously fulfill the applicable statutory capital or liquidity requirements. A stabilization plan, if implemented, may in particular result in new loans or other financing taken out thereunder having priority over the claims of existing creditors if insolvency proceedings are opened within three years following the commencement of the stabilization proceedings. Also under the German Credit Institution Reorganization Act, if a bank considers a stabilization proceeding to be futile, it may initiate reorganization proceedings, provided

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that the requirements for resolution under the German Recovery and Resolution Act are met. In such proceedings, classes of creditors and shareholders may vote on a reorganization plan that, if adopted, may in particular provide for debt-to-equity swaps, contributions in kind, capital increases and reductions, an exclusion of subscription rights and the spin-off of parts of the bank. Under certain conditions, the reorganization plan may also be implemented without the approval of a class of creditors or the shareholders (i.e., it can be forced upon dissenting creditors or shareholders).

Separation of Proprietary Trading Activities by Universal Banks

The German Separation Act provides that deposit-taking banks and their affiliates are prohibited from engaging in proprietary trading that does not constitute a service for others, high-frequency trading (with the exception of market-making activities), and credit or guarantee transactions with hedge funds and comparable enterprises, unless such activities are transferred to a separate legal entity. The separation requirement applies if certain thresholds are exceeded, which we exceed. In addition, the German Separation Act authorizes the BaFin to prohibit the deposit-taking bank and its affiliates, on a case-by-case basis, from engaging in market-making and other activities that are comparable to the activities prohibited by law, if these activities may put the solvency of the deposit-taking bank or any of its affiliates at risk. In the event that the BaFin orders such a prohibition, the respective activities must be discontinued or transferred to a separate legal entity (referred to as financial trading institution (Finanzhandelsinstitut)). The separate legal entity may be established in the form of an investment firm or a bank and may be part of the same group as the deposit-taking bank. However, it must be economically and organizationally independent from the deposit-taking bank and its (other) affiliates, and it has to comply with enhanced risk management requirements. The prohibition for deposit-taking banks and their affiliates to conduct activities associated with increased risks became effective on July 1, 2015, with a further transitional period of twelve months to accomplish the separation requirement, unless the BaFin extends this period. For Deutsche Bank Group, the period to cease or transfer activities concerned was extended by the BaFin until June 30, 2017. Also starting on July 1, 2016, the BaFin may prohibit, on a case-by-case basis, deposit-taking banks and their affiliates from engaging in market-making and other activities that are comparable to the activities prohibited by law if such activities could put the solvency of the deposit-taking bank or any of its affiliates at risk. The implementation of the Separation Act will require ongoing surveillance of the activities of banks within the scope of the legislation and assessment of compliance and control frameworks to ensure that no prohibited activities are conducted.

On January 29, 2014, the European Commission published a proposal for a regulation on structural measures improving the resilience of European Union credit institutions (referred to as Proposed Regulation), which if enacted, will impose measures similar to the Separation Act. The Proposed Regulation would apply to large banks which are either identified as global systemically important institutions (such as us), or whose total assets and trading activities exceed certain thresholds (which we exceed). If the Proposed Regulation were enacted as drafted, it would ban proprietary trading in financial instruments and commodities. For this purpose, proprietary trading is defined as (subject to certain exemptions) trading on own account for the sole purpose of making profit for the bank through dedicated trading structures. Furthermore, the Proposed Regulation would grant supervisors the power, and, in certain instances, impose on them an obligation, to require the transfer of certain trading and other activities (such as market making, derivatives and securitization operations) to separate legal trading entities within the group. In this case, the group would be required to be structured in a manner that results in the creation of two distinct sub-groups. Only one such subgroup would be permitted to conduct the business of taking insured deposits (referred to as a Core Bank). Both sub-groups would be required to comply separately with the own funds and capital requirements, the large exposure limits and certain other obligations set forth in CRR/CRD 4. Moreover, the Core Bank sub-group would not be permitted to hold any capital instruments or voting rights in the other sub-group. According to the Proposed Regulation, the prohibition on proprietary trading would become effective 18 months after the publication of the final regulation. The provisions on separation of trading activities from Core Banks would become effective 36 months after such publication. On December 22, 2014, the Economic and Monetary Affairs Committee (ECON) of the European Parliament published significant changes to the Proposed Regulation. On June 19, 2015, the Council of the European Union agreed its position at first reading on the Proposed Regulation. The Proposed Regulation is currently being negotiated at the European level. Once enacted, the Proposed Regulation might overrule certain requirements set out in the Separation Act at the national level. The ultimate impact on us will depend on the content of the final version of the Proposed Regulation.

Remuneration Rules

Under the German Banking Act and the German Credit Institution Remuneration Regulation (Institutsvergütungsverordnung), we are subject to certain restrictions on the remuneration we pay statutorily designated material risk takers and other affected employees. The remuneration rules have been revised on the basis of the CRR/CRD 4 framework, and since January 1, 2014, they impose a cap on bonuses. Pursuant to this cap, the variable remuneration for material risk takers and other affected employees generally must not exceed that employee s fixed remuneration. The variable remuneration may be increased to twice the material risk taker s and other affected employee s fixed remuneration if expressly approved by the shareholders meeting with the required majority. In addition, between 40 % and 60 % of the variable remuneration of material risk takers must be deferred. The deferral period must be at least three to five years. Also, depending on the responsibilities, activities and position of an employee, at least 50 % of the variable remuneration must be paid in the form of shares or instruments linked to shares. Finally, we are required to comply with certain disclosure requirements relating to the remuneration we pay to, and our remuneration principles in respect of, our material risk takers and other affected employees.

Deposit Protection and Investor Compensation in Germany

The Deposit Protection Act and the Investor Compensation Act

The German Deposit Protection Act (Einlagensicherungsgesetz) and the German Investor Compensation Act (Anlegerentschädigungsgesetz) provide for a mandatory deposit protection and investor compensation system in Germany, based on a European Union directive on deposit guarantee schemes (DGS Directive), recast in 2014, and a European Union directive on investor compensation schemes.

The German Deposit Protection Act requires that each German bank participate in one of the licensed government-controlled deposit protection schemes (Entschädigungseinrichtungen). Entschädigungseinrichtung deutscher Banken GmbH acts as the deposit protection scheme for private sector banks such as us, collects and administers the contributions of the member banks, and settles any compensation claims of depositors in accordance with the German Deposit Protection Act.

Under the German Deposit Protection Act, deposit protection schemes are liable for obligations resulting from deposits denominated in any currency in an amount of up to 100,000 per depositor and bank. In addition, deposits made in connection with particular life events (such as the sale of private residential properties, marriage or severance payments) are protected up to an amount 500,000 for a period of six months after the amount has been deposited or become transferable. Deposit protection schemes are not liable for liabilities the existence of which can be proven only by financial instruments such as transferable securities, that are not repayable at par or the principal of which is repayable at par only under a particular guarantee or agreement provided by the bank or a third party. Deposits by certain entities, such as banks, financial institutions (Finanzinstitute), insurance companies, investment funds, the Federal Republic of Germany, the German federal states and municipalities, as well as liabilities arising out of own acceptances and promissory notes are not protected.

The deposit protection scheme must repay insured deposits in euro within twenty working days until May 31, 2016, and within seven working days as from June 1, 2016, after the BaFin has ascertained a compensation case for the bank concerned and without the requirement for depositors to specifically apply for repayment, except where they claim to be insured above the level of 100,000 in connection with specific life events.

Deposit protection schemes are financed by annual contributions of the participating banks. They must have available financial means proportionate to their potential liabilities and must reach a target level of such means of 0.8 % of the total covered deposits of their participating banks by July 3, 2024. The financial means must be contributed by the banks participating in the deposit protection scheme. The amount of contributions of each bank will be based upon the amount of its covered deposits and the degree of risk the bank is exposed to. Deposit protection schemes may also levy special contributions if required to settle compensation claims. There is no absolute limit on such special contributions.

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Deposit protection schemes will be required to contribute to bank resolution costs where resolution tools are used. The contribution made by the deposit protection scheme is limited to the compensation it would have to pay if the affected bank had become subject to insolvency proceedings. Furthermore, deposit protection schemes under certain circumstances may provide funding to its participating banks to avoid their failure.

Under the German Investor Compensation Act, in the event that the BaFin ascertains a compensation case, Entschädigungseinrichtung deutscher Banken GmbH as our deposit protection scheme is also required to compensate 90 % of any creditor s aggregate claims arising from securities transactions denominated in euro or in a currency of any other European Union member state up to an amount of the equivalent of 20,000. Claims arising from securities transactions include claims of securities account holders for the return of instruments owned by, and held or deposited for them in connection with securities transactions. Claims arising from securities transactions of certain entities, such as banks, financial institutions (Finanzinstitute), insurance companies, investment funds, the Federal Republic of Germany, the German federal states, municipalities and medium-sized and large corporations, are not protected.

European Deposit Insurance Scheme

On November 24, 2015, the European Commission proposed a regulation to establish a European Deposit Insurance Scheme, or EDIS for bank deposits of all credit institutions which are members of any of the current national statutory deposit guarantee schemes member states participating in the banking union. The Commission s proposal envisages a progressive integration of existing national deposit guarantee schemes in three stages, from a re-insurance of national deposit guarantee schemes, to a co-insurance system, and then to the final stage, which would be reached in 2024, when EDIS would fully insure all relevant national deposit guarantee schemes in case of a bank failure. EDIS would be administered by the SRB in all stages jointly with participating national deposit guarantee schemes or, where a deposit guarantee scheme does not administer itself, by the national designated authority responsible for administering the respective participating deposit guarantee scheme. The proposal is currently being negotiated at the European Union level and the ultimate impact on us is uncertain.

Voluntary Deposit Protection System

Liabilities to creditors that are not covered by a statutory compensation scheme may be covered by one of the various protection funds set up by the banking industry on a voluntary basis. We take part in the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbandes deutscher Banken e. V.). The Deposit Protection Fund covers liabilities to customers up to an amount equal to 20 % of the bank s own funds (Eigenmittel) as further specified in the Deposit Protection Fund s by-laws. This limit will be reduced to 15 % from January 1, 2020 onwards and to 8.75 % from January 1, 2025 onwards. Liabilities to other banks and other specified institutions, obligations of banks represented by instruments in bearer form and covered bonds in registered form (Namenspfandbriefe) are not covered. To the extent the Deposit Protection Fund makes payments to customers of a bank, it will be subrogated to their claims against the bank.

Banks that participate in the Deposit Protection Fund make annual contributions to the fund based on their liabilities to customers, and may be required to make special contributions up to an amount of 50 % of their annual contributions to the extent requested by the Deposit Protection Fund to enable it to fulfill its purpose. If one or more German banks are in financial difficulties, we may therefore participate in their restructuring even where we have no business relationship or strategic interest, in order to avoid making special contributions to the Deposit Protection Fund in case of an insolvency of such bank or banks, or we may be required to make such special contributions.

Further Regulation and Supervision in the European Economic Area

Since 1989 the European Union has enacted a number of regulations and directives to create a single European Union-wide market with almost no internal barriers on banking and financial services. The Agreement on the European Economic Area extends this single market to Iceland, Liechtenstein and Norway. Within this market our branches generally operate under the so-called European Passport . Under the European Passport, our branches are subject to regulation and supervision primarily by the ECB and the BaFin. To the extent that activities are carried out within its jurisdiction, the authorities of the host country supervise the conduct of banks. This includes, for example, rules on treating clients fairly and rules governing a bank s conduct in the securities market.

On November 24, 2010, the European Union enacted regulations to further integrate the existing national supervisory authorities into a European System of Financial Supervision. A European Systemic Risk Board (ESRB) was established and the independent advisory committees to the European Commission for banks, insurance companies and securities markets which had existed since 2004 were transformed into new European authorities: the EBA, the European Insurance and Occupational Pensions Authority (EIOPA) and the ESMA.

The ESRB is responsible for the macro-prudential oversight of the financial system within the European Union. It will in particular collect and analyze all relevant information, identify systemic risks and issue warnings and recommendations for remedial action as appropriate. The secretariat of the ESRB is provided by the ECB. The tasks of the EBA, EIOPA, and ESMA are to further integrate and harmonize the work of the relevant national supervisory authorities and to ensure a consistent application of European Union law. To that effect they shall in particular develop technical standards for supervision, and help develop regulatory standards, which will become effective if the European Commission endorses them. They shall also issue guidelines and recommendations for supervisory practices and coordinate the work of competent supervisory authorities in emergency situations where the orderly functioning or integrity of the financial markets or the stability of the financial system in the European Union is jeopardized. In such case, the EBA and the other new authorities may give instructions to competent supervisory authorities and, in certain circumstances, directly to banks and other financial institutions, to take remedial measures.

Regulation and Supervision in the United States

Our operations are subject to extensive federal and state banking, securities and derivatives regulation and supervision in the United States. We engage in U.S. banking activities directly through our New York branch. We also control U.S. banking subsidiaries, including Deutsche Bank Trust Company Americas (DBTCA), and U.S. broker-dealers, such as Deutsche Bank Securities Inc., U.S. nondeposit trust companies and nonbanking subsidiaries.

On July 21, 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), which provides a broad framework for significant regulatory changes that extend to almost every area of U.S. financial regulation. While rulemaking in respect of many of the provisions of the Dodd-Frank Act has already taken place, implementation of the Dodd-Frank Act will require further detailed rulemaking over several years by different U.S. regulators, including the Department of the Treasury, the Federal Reserve Board, the Securities and Exchange Commission (SEC), the Federal Deposit Insurance Corporation (FDIC), the Commodity Futures Trading Commission (CFTC) and the Financial Stability Oversight Council (Council), and uncertainty remains about the final details, timing and impact of many of the rules.

The Dodd-Frank Act provisions known as the Volcker Rule limit the ability of banking entities and their affiliates to engage as principal in certain types of proprietary trading unrelated to serving clients and to sponsor or invest in private equity or hedge funds or similar funds (covered funds), subject to certain exclusions and exemptions. In the case of non-U.S. banking entities such as Deutsche Bank AG, these exemptions permit certain activity conducted outside the U.S., provided that certain criteria are satisfied. The Volcker Rule also limits the ability of banking entities and their affiliates to enter into certain transactions with covered funds with which they or their affiliates have certain relationships. On December 10, 2013, U.S. regulators released the final version of the regulations implementing the Volcker Rule. Also on that date, the Federal Reserve Board extended the end of the conformance period for the Volcker Rule until July 21, 2015 (with the possibility of two one-year extensions under certain circumstances), by which time financial institutions subject to the rule, such as us, must bring their activities and investments into compliance and implement a specific compliance program. In December 2014, the Federal Reserve Board issued an order extending the Volcker Rule s general conformance period until July 21, 2016 for investments in and relationships with covered funds and certain foreign funds that were in place on or prior to December 31, 2013 (legacy covered funds), and stated its intention to grant a final one-year extension of the general conformance period, to July 21, 2017, for banking entities to conform ownership interests in and relationships with legacy covered funds. This extension of the conformance period

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does not apply to the Volcker Rule s prohibitions on proprietary trading or to any investments in and relationships with covered funds made or entered into after December 31, 2013.

The Dodd-Frank Act also provides regulators with tools to provide greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk. U.S. regulators will also be able to restrict the size and growth of systemically significant non-bank financial companies and large interconnected bank holding companies and will be required to impose bright-line debt-to-equity ratio limits on financial companies that the Council determines pose a grave threat to financial stability if the Council determines that the imposition of the limit is necessary to minimize the risk.

With respect to prudential standards, on February 18, 2014, the Federal Reserve Board adopted rules (the FBO Rules) that set forth how the U.S. operations of foreign banking organizations (FBOs), such as Deutsche Bank, will be required to be structured in the U.S., as well as the enhanced prudential standards that will apply to our U.S. operations.

Under the FBO Rules, a large FBO with U.S.$ 50 billion or more in U.S. non-branch assets, such as us, will be required to establish or designate a separately capitalized top-tier U.S. intermediate holding company (IHC) that would hold substantially all of the FBO s ownership interests in U.S. subsidiaries by July 1, 2016. Beginning on that date, our IHC will be subject, on a consolidated basis, to the risk-based capital requirements under the U.S. Basel 3 capital framework, capital planning and stress testing requirements (on a phased-in basis), U.S. liquidity buffer requirements and other enhanced prudential standards comparable to those applicable to top-tier U.S. bank holding companies of a similar size. The Federal Reserve Board will have the authority to examine the IHC and any of its subsidiaries. U.S. leverage requirements applicable to the IHC will take effect beginning in January 2018. An FBO s U.S. branches and agencies will not be held beneath an IHC; however, the U.S. branches and agencies of the FBO (and in certain cases, the entire U.S. operations of the FBO) will be subject to certain liquidity requirements, as well as other specific enhanced prudential standards, such as risk management and asset maintenance requirements under certain circumstances. Additionally, the FBO Rules will place requirements on the FBO itself related to the adequacy and reporting of the FBO s home country capital and stress testing regime. The Federal Reserve Board did not finalize (but continues to consider) requirements relating to single counterparty credit limits and an early remediation framework under which the Federal Reserve Board would implement prescribed restrictions and penalties against the FBO and its U.S. operations and certain of its officers and directors, if the FBO and/or its U.S. operations do not meet certain requirements, and would authorize the termination of U.S. operations under certain circumstances.

Title I of the Dodd-Frank Act and the implementing regulations issued by the Federal Reserve Board and the FDIC require each bank holding company with assets of U.S.$ 50 billion or more, including Deutsche Bank AG, to prepare and submit annually a plan for the orderly resolution of subsidiaries and operations in the event of future material financial distress or failure (the Title I US Resolution Plan). For foreign-based covered companies such as Deutsche Bank AG, the Title I US Resolution Plan only relates to subsidiaries, branches, agencies and businesses that are domiciled in or conducted in whole or in material part in the United States. In addition to the Title I US Resolution Plan, in 2014, DBTCA, one of our insured depository institutions (IDIs) in the United States, became subject to the FDIC s final rule requiring IDIs with total assets of U.S.$ 50 billion or more to submit periodically to the FDIC a plan for resolution in the event of failure (the IDI Plan and, together with the Title I US Resolution Plan, the US Resolution Plan) under the Federal Deposit Insurance Act (the IDI Rule). In 2014, Deutsche Bank AG expanded its Title I US Resolution Plan to also be responsive to the IDI Rule requirements. In 2015, DBTCA prepared and submitted a separate IDI Plan.

The core elements of the US Resolution Plan are Material Entities (MEs), Core Business Lines (CBLs), Critical Operations (COs) and, for purposes of the IDI Plan, Critical Services. The US Resolution Plan lays out the resolution strategy for each ME, defined as those entities significant to the activities of a CO or CBL and demonstrates how each ME, CBL and CO, as applicable, can be resolved in a rapid and orderly manner and without systemic impact on U.S. financial stability. The US Resolution Plan also discusses the strategy for continuing Critical Services in resolution. Key factors addressed in the US Resolution Plan include how to ensure:

- Continued access to services from other U.S. and non-U.S. legal entities as well as from third parties such as payment servicers, exchanges and key vendors;
- Availability of funding from both external and internal sources;
- Retention of key employees during resolution; and
- Efficient and coordinated close-out of cross-border contracts.

The US Resolution Plan is drafted in coordination with the U.S. businesses and infrastructure groups so that it accurately reflects the business, critical infrastructure and key interconnections.

Our existing U.S. bank holding company subsidiary, Deutsche Bank Trust Corporation, is subject to various U.S. prudential requirements and will become subject to others prior to our establishing the IHC. As of January 1, 2015, Deutsche Bank Trust Corporation is subject to risk-based and leverage capital requirements, liquidity requirements, and other enhanced prudential standards applicable to large U.S. bank holding companies. Deutsche Bank Trust Corporation also became subject to capital planning and stress testing requirements on June 30, 2014. On March 11, 2015, the Federal Reserve Board objected to Deutsche Bank Trust Corporation s 2015 capital plan due to weaknesses in its capital planning processes. Deutsche Bank Trust Corporation s stressed Common Equity Tier 1 capital ratio was forecast by the Federal Reserve Board to fall to as low as 28.6 % under the supervisory severely adverse scenario. This hypothetical stressed ratio would be substantially above the minimum required ratio of 4.5 %. Stress testing results are based on hypothetical adverse scenarios and should not be viewed or interpreted as forecasts of expected outcomes or capital adequacy or of the actual financial condition of Deutsche Bank Trust Corporation. Deutsche Bank Trust Corporation will submit its 2016 capital plan, incorporating enhancements to its processes, on April 5, 2016. Deutsche Bank Trust Corporation will remain subject to the capital planning and stress-testing requirements and certain enhanced prudential standards until corresponding requirements applicable to the IHC become effective.

In September 2014, the Federal Reserve Board and other U.S. regulators approved a final rule implementing liquidity coverage ratio (LCR) requirements for certain U.S. banking holding companies and depositary institutions that are generally consistent with the Basel Committee s revised Basel 3 liquidity standards. Deutsche Bank Trust Corporation, as a U.S. bank holding company with total assets of U.S.$ 50 billion or more that is not an advanced approaches bank holding company, became subject to a modified, less stringent version of the LCR beginning in January 2016. The Federal Reserve Board has reaffirmed its plans to issue an additional rulemaking to address the application of an LCR requirement to the U.S. operations of some or all foreign banking organizations with U.S.$ 50 billion or more in combined U.S. assets, which could impact the LCR requirements applicable to our IHC.

On October 30, 2015, the Federal Reserve Board published proposed rules that would implement the FSB s TLAC standard in the United States. The proposed rules would require, among other things, the U.S. IHCs of non-U.S. G-SIBs, including our IHC, to maintain a minimum amount of internal TLAC, and would separately require them to maintain a minimum amount of internal long-term debt. Under the proposed rules, the required amounts of minimum internal TLAC required varies depending on the home country resolution authority s preferred resolution strategy. The proposed rules would require our IHC to maintain, on a fully phased-in basis by 2022, (i) internal minimum TLAC of at least 16 % of its risk-weighted assets, 6 % of its Basel 3 leverage ratio denominator and 8 % of its average total consolidated assets, and (ii) internal long-term debt of at least 7 % of its risk-weighted assets, 3 % of its Basel 3 leverage ratio denominator and 4 % of its average total consolidated assets. Internal long-term debt instruments would be required to meet certain eligibility criteria, including issuance to a foreign parent entity (a non-US entity that controls the intermediate holding company) and the inclusion of a contractual trigger allowing for, in limited circumstances, the cancellation of, or immediate conversion or exchange of the instrument into Common Equity Tier 1 upon an order by the Federal Reserve Board. Internal TLAC requirements could be satisfied with a combination of eligible long-term debt instruments and Tier 1 capital. The proposed rules would also impose limitations on the types of financial transactions that our IHC could engage in.

Furthermore, the Dodd-Frank Act provides for an extensive framework for the regulation of over-the-counter (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 and major swap participants. In November 2013, 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. At the end of 2015, the U.S. Prudential Regulators and the CFTC adopted final rules establishing margin requirements for non-cleared swaps and security based swaps. The final margin rules follow a phased implementation schedule, with variation margin requirements coming into effect in September 2016 or March 2017, and initial margin requirements phased in on an annual basis from September 2016 through September 2020, with the relevant compliance dates depending in each case on the transactional volume of the parties and their affiliates.

The Dodd-Frank Act also requires broader regulation of hedge funds and private equity funds, as well as credit rating agencies, and imposes new requirements with respect to securitization activities. In October 2014, federal regulatory agencies issued final rules to implement the credit risk retention requirements of Section 941 of the Dodd-Frank Act, which generally require securitizers of different types of asset-backed securitizations, including transactions backed by residential mortgages, commercial mortgages, and commercial, credit card and auto loans, to retain at least five percent of the credit risk of the assets being securitized, with an exemption for securitizations that are wholly composed of qualified residential mortgages. The regulations took effect on February 23, 2015. Compliance was required with respect to new securitization transactions backed by residential mortgages beginning December 24, 2015 and will be required with respect to new securitization transactions backed by other types of assets beginning December 24, 2016. We continue to evaluate the final rules and assess their impact on our securitization activities.

The Dodd-Frank Act also establishes a new regulatory framework and enhanced regulation for several other areas, including but not limited to the following. Under the Dodd-Frank Act and implementing regulations, a new regime for the orderly liquidation of systemically significant financial companies is established, which authorizes assessments on financial institutions that have U.S.$ 50 billion or more in consolidated assets to repay outstanding debts owed to the Treasury in connection with a liquidation of a systemically significant financial company under the new insolvency regime. In addition, the Dodd-Frank Act requires U.S. regulatory agencies to prescribe regulations with respect to incentive-based compensation at financial institutions in order to prevent inappropriate behavior that could lead to a material financial loss. Other provisions require issuers with securities listed on U.S. stock exchanges, which may include foreign private issuers such as us, to establish a clawback policy to recoup previously awarded executive compensation in the event of an accounting restatement; in July 2015, the SEC proposed rules to implement this that would cover foreign private issuers. The Dodd-Frank Act also grants the SEC discretionary rule-making authority to impose a new fiduciary standard on brokers, dealers and investment advisers, and expands the extraterritorial jurisdiction of U.S. courts over actions brought by the SEC or the United States with respect to violations of the antifraud provisions of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.

Implementation of the Dodd-Frank Act and related final regulations will result in additional costs and could limit or restrict the way we conduct our business. Although uncertainty remains about many of the details, impact and timing of these reforms, we expect that there will be significant costs and may be significant limitations on our businesses resulting from these regulatory initiatives.

Regulatory Authorities

We and Deutsche Bank Trust Corporation, our wholly owned subsidiary, are bank holding companies under the U.S. Bank Holding Company Act of 1956, as amended (the Bank Holding Company Act), by virtue of, among other things, our ownership of DBTCA. As bank holding companies, we and Deutsche Bank Trust Corporation have elected to become financial holding companies. As a result, we and our U.S. operations are subject to regulation, supervision and examination by the Federal Reserve Board as our U.S. umbrella supervisor .

DBTCA is a New York state-chartered bank whose deposits are insured by the FDIC to the extent permitted by law. DBTCA is subject to regulation, supervision and examination by the Federal Reserve Board and the New York State Department of Financial Services and to relevant FDIC regulation. In addition, DBTCA is also subject to regulation by the Consumer Financial Protection Bureau in relation to its retail products and services offered to its customers. Deutsche Bank Trust Company Delaware is a Delaware state-chartered bank which is subject to regulation, supervision and examination by the FDIC and the Office of the State Bank Commissioner of Delaware. Deutsche Bank s New York branch is supervised by the Federal Reserve Board and the New York State Department of Financial Services. Deutsche Bank s federally chartered nondeposit trust companies are subject to regulation, supervision and examination by the Office of the Comptroller of the Currency. We and our subsidiaries are also subject to regulation, supervision and examination by state banking regulators of certain states in which they conduct banking operations.

Restrictions on Activities

As described below, federal and state banking laws and regulations restrict our ability to engage, directly or indirectly through subsidiaries, in activities in the United States. We are required to obtain the prior approval of the Federal Reserve Board before directly or indirectly acquiring the ownership or control of more than 5 % of any class of voting shares of U.S. banks, certain other depository institutions, and bank or depository institution holding companies. Under applicable U.S. federal banking law, our U.S. banking operations are also restricted from engaging in certain tying arrangements involving products and services.

Our two U.S. FDIC-insured bank subsidiaries, as well as our New York branch, are subject to requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be made and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered.

In addition to the business of banking, and managing or controlling banks, so long as we are a financial holding company under U.S. law, we may also engage in nonbanking activities in the United States that are financial in nature, or incidental or complementary to such financial activity, including securities, merchant banking, insurance and other financial activities, subject to certain limitations on the conduct of such activities and to prior regulatory approval in some cases. As a non-U.S. bank, we are generally authorized under U.S. law and regulations to acquire a non-U.S. company engaged in nonfinancial activities as long as the company s U.S. operations do not exceed certain thresholds and certain other conditions are met. On January 14, 2014, the Federal Reserve Board sought comment on the appropriateness of further restrictions on the physical commodity and merchant banking activities conducted by financial holding companies under several provisions of the Bank Holding Company Act in order to address various prudential considerations, including the potential risks of such activities to the safety and soundness of financial holding companies and financial stability more broadly.

Our status as a financial holding company, and our resulting ability to engage in a broader range of nonbanking activities are dependent on Deutsche Bank AG, Deutsche Bank Trust Corporation and our two insured U.S. depository institutions meeting certain requirements under the Bank Holding Company Act and upon our insured U.S. depository institutions meeting certain requirements under the Community Reinvestment Act. The Federal Reserve Board s and other U.S. regulators well capitalized standards are generally based on specified quantitative thresholds set at levels above the minimum requirements to be considered adequately capitalized. For our two insured depository institution subsidiaries, Deutsche Bank Trust Company Americas and Deutsche Bank Trust Company Delaware, the well-capitalized thresholds under the U.S. Basel 3 framework are a Common Equity Tier 1 capital ratio of 6.5 %, a Tier 1 capital ratio of 8 %, a Total capital ratio of 10 %, and a U.S. leverage ratio of 5 %. For bank holding companies, including Deutsche Bank AG and Deutsche Bank Trust Corporation, the well-capitalized thresholds are a Tier 1 capital ratio of 6 % and a Total capital ratio of 10 %, both of which are calculated for Deutsche Bank AG under its home country standards.

State-chartered banks (such as DBTCA) and state-licensed branches and agencies of foreign banks (such as our New York branch) may not, with certain exceptions that require prior regulatory approval, engage as a principal in any type of activity not permissible for their federally chartered or licensed counterparts. In addition, DBTCA and Deutsche Bank Trust Company Delaware are subject to their respective state banking laws pertaining to legal lending limits and permissible investments and activities. Likewise, the United States federal banking laws also subject state branches and agencies to the same single-borrower lending limits that apply to federal branches or agencies, which are substantially similar to the lending limits applicable to national banks. These single-borrower lending limits are based on the worldwide capital of the entire foreign bank (i.e., Deutsche Bank AG in the case of the New York branch).

The Federal Reserve Board may terminate the activities of any U.S. office of a foreign bank if it determines that the foreign bank is not subject to comprehensive supervision on a consolidated basis in its home country or that there is reasonable cause to believe that such foreign bank or its affiliate has violated the law or engaged in an unsafe or unsound banking practice in the United States or, for a foreign bank that presents a risk to the stability of the United States financial system, the home country of the foreign bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk.

The Dodd-Frank Act removed a longstanding prohibition on the payment of interest on demand deposits by our FDIC-insured bank subsidiaries and our New York branch. In addition, the lending limits applicable to our FDIC-insured state-chartered bank subsidiaries take into account credit exposures arising from derivative transactions, and the lending limits applicable to our New York branch take into account both credit exposures arising from derivative transactions as well as securities borrowing and lending transactions and repurchase and reverse repurchase agreements with counterparties.

Also, under the so-called swap push-out provisions of the Dodd-Frank Act, certain structured finance derivatives activities of FDIC-insured banks and U.S. branch offices of foreign banks (including our New York branch) are restricted, which may necessitate a restructuring of how we conduct certain of our derivatives activities. We and other U.S. banking organizations and FBOs were required to comply with the push-out provisions by July 2015.

In addition, the regulations which the Consumer Financial Protection Bureau may adopt could affect the nature of the consumer activities which a bank (including our FDIC-insured bank subsidiaries and our New York branch) may conduct, and may impose restrictions and limitations on the conduct of such activities.

There are various qualitative and quantitative restrictions on the extent to which we and our nonbank subsidiaries can borrow or otherwise obtain credit from our U.S. banking subsidiaries or engage in certain other transactions involving those subsidiaries. In general, these transactions must be on terms that would ordinarily be offered to unaffiliated entities, must be secured by designated amounts of specified collateral and are subject to volume limitations. These restrictions also apply to certain transactions of our New York branch with our U.S. broker-dealers and certain of our other affiliates. Credit exposure arising from derivative transactions, securities borrowing and lending transactions, and repurchase/reverse repurchase agreements is subject to these collateral and volume limitations.

A major focus of U.S. governmental policy relating to financial institutions is aimed at preventing money laundering and terrorist financing and compliance with economic sanctions in respect of designated countries or activities. Failure of an institution to have policies and procedures and controls in place to prevent, detect and report money laundering and terrorist financing could in some cases have serious legal, financial and reputational consequences for the institution.

New York Branch

Our New York branch is licensed by the New York Superintendent of Financial Services to conduct a commercial banking business and is required to maintain eligible high-quality assets with banks in the State of New York (up to a maximum of U.S.$ 100 million of assets pledged so long as the New York branch remains well-rated by the New York State Superintendent of Financial Services). Should our New York branch cease to be well-rated , we may need to maintain substantial additional amounts of eligible assets. The Superintendent of Financial Services may also establish asset maintenance requirements for branches of foreign banks. In addition, the Federal Reserve Board is authorized to establish asset maintenance requirements for our New York branch under certain conditions, pursuant to the FBO Rules. Currently, no such requirements have been imposed upon our New York branch.

The New York State Banking Law authorizes the Superintendent of Financial Services to take possession of the business and property of a New York branch of a foreign bank under certain circumstances, generally involving violation of law, conduct of business in an unsafe manner, impairment of capital, suspension of payment of obligations, or initiation of liquidation proceedings against the foreign bank at its domicile or elsewhere. In liquidating or dealing with a branch s business after taking possession of a branch, only the claims of depositors and other creditors which arose out of transactions with a branch are to be accepted by the Superintendent of Financial Services for payment out of the business and property of the foreign bank in the State of New York, without prejudice to the rights of the holders of such claims to be satisfied out of other assets of the foreign bank. After such claims are paid, the Superintendent of Financial Services will turn over the remaining assets, if any, to the foreign bank or its duly appointed liquidator or receiver.

Deutsche Bank Trust Company Americas

The Federal Deposit Insurance Corporation Improvement Act of 1991 (referred to as FDICIA) provides for extensive regulation of depository institutions (such as DBTCA and its direct and indirect parent companies), including requiring federal banking regulators to take prompt corrective action with respect to FDIC-insured banks that do not meet minimum capital requirements. As an insured bank s capital level declines and the bank falls into lower categories (or if it is placed in a lower category by the discretionary action of its supervisor), greater limits are placed on its activities and federal banking regulators are authorized (and, in many cases, required) to take increasingly more stringent supervisory actions, which could ultimately include the appointment of a conservator or receiver for the bank (even if it is solvent). In addition, FDICIA generally prohibits an FDIC-insured bank from making any capital distribution (including payment of a dividend) or payment of a management fee to its holding company if the bank would thereafter be undercapitalized. If an insured bank becomes undercapitalized , it is required to submit to federal regulators a capital restoration plan guaranteed by the bank s holding company. Since the enactment of FDICIA, both of our U.S. insured banks have been categorized as well capitalized, the highest capital category under applicable regulations.

DBTCA, like other FDIC-insured banks, is required to pay assessments to the FDIC for deposit insurance under the FDIC s Deposit Insurance Fund (calculated using the FDIC s risk-based assessment system). The minimum reserve ratio for the Deposit Insurance Fund was increased under the Dodd-Frank Act from 1.15 % to 1.35 %, with the target of 1.35 % to be reached by 2020 and with the incremental cost charged to banks with more than U.S.$ 10 billion in assets. In addition, the FDIC has set the designated reserve ratio at 2 % as a long-term goal. This shift has had financial implications for all FDIC-insured banks, including DBTCA. In order to achieve the 1.35 % goal, in October 2015, the FDIC proposed an additional surcharge on the quarterly assessments of insured depository institutions with total consolidated assets of U.S.$ 10 billion or more, including DBTCA. The financial impact of such an additional surcharge may be material to the results of operation of DBTCA, although any final determination would be made when and if the FDIC s proposal is finalized. If finalized as proposed, the additional surcharge would commence in 2016. Additionally, in 2015, the FDIC published further guidance on brokered deposits. This guidance has resulted in DBTCA having to classify more of its deposits as brokered deposits, which has resulted in a higher assessment charge for DBTCA.

The FDIC s basic amount of deposit insurance is U.S.$ 250,000.

Other

In the United States, our U.S.-registered broker-dealers are regulated by the SEC. Broker-dealers are subject to regulations that cover all aspects of the securities business, including sales methods, trade practices among broker-dealers, use and safekeeping of customers funds and securities, capital structure, recordkeeping, the financing of customers purchases and the conduct of directors, officers and employees.

Our principal U.S. SEC-registered broker-dealer subsidiary, Deutsche Bank Securities Inc., is a member of the New York Stock Exchange and is regulated by the Financial Industry Regulatory Authority (FINRA) and the individual state securities authorities in the states in which it operates. The U.S. government agencies and self-regulatory organizations, as well as state securities authorities in the United States having jurisdiction over our U.S. broker-dealer affiliates, are empowered to conduct administrative proceedings that can result in censure, fine, the issuance of cease-and-desist orders or the suspension or expulsion of a broker-dealer or its directors, officers or employees. Deutsche Bank Securities Inc. is also registered with and regulated by the SEC as an investment adviser, and by the CFTC and the National Futures Association as a futures commission merchant and commodity pool operator.

Under the Dodd-Frank Act, with certain exceptions, our entities that are swap dealers, security-based swap dealers, major swap participants or major security-based swap participants will be required to register with the SEC or CFTC, or both. Currently, Deutsche Bank AG is provisionally registered as a swap dealer. At a future date, we will be required to register one or more subsidiaries as security-based swap dealers with the SEC and may be required to register additional subsidiaries as swap dealers with the CFTC and certain subsidiaries as CFTC-regulated major swap participants and/or SEC-regulated major security-based swap participants. Registration, including provisional registration, as swap dealers, security-based swap dealers, major swap participants or major security-based swap participants subjects us to requirements as to capital, margin, business conduct, and recordkeeping, among other requirements.

Organizational Structure

We operate our business along the structure of our five corporate divisions. Deutsche Bank AG is the direct or indirect holding company for our subsidiaries. The following table sets forth the significant subsidiaries we own, directly or indirectly, as of December 31, 2015. We used the three-part test set out in Section 1-02 (w) of Regulation S-X under the U.S. Securities Exchange Act of 1934 to determine significance. We do not have any other subsidiaries we believe are material based on other, less quantifiable, factors.

We own 100 % of the equity and voting interests in these subsidiaries. Further detail is included in Note 3 Acquisitions and Dispositions to the consolidated financial statements. These subsidiaries prepare financial statements as of December 31, 2015 and are included in our consolidated financial statements. Their principal countries of operation are the same as their countries of incorporation.

Subsidiary	Place of Incorporation
DB USA Corporation [1]	Delaware, United States
Deutsche Bank Americas Holding Corporation [2]	Delaware, United States
German American Capital Corporation [3]	Delaware, United States
DB U.S. Financial Markets Holding Corporation [4]	Delaware, United States
Deutsche Bank Securities Inc. [5]	Delaware, United States
DB Structured Products Inc. [6]	Delaware, United States
Deutsche Bank Trust Corporation [7]	New York, United States
Deutsche Bank Trust Company Americas [8]	New York, United States
Deutsche Bank Luxembourg S.A. [9]	Luxembourg
Deutsche Bank Privat- und Geschäftskunden Aktiengesellschaft [10]	Frankfurt am Main, Germany
DB Finanz-Holding GmbH [11]	Frankfurt am Main, Germany
Deutsche Postbank AG [12]	Bonn, Germany
DWS Holding & Service GmbH [13]	Frankfurt am Main, Germany

1 DB USA Corporation is one of two top-level holding companies for our subsidiaries in the United States.
2 Deutsche Bank Americas Holding Corporation is a second tier holding company for subsidiaries in the United States.
3 German American Capital Corporation is engaged in purchasing and holding loans from financial institutions, trading and securitization of mortgage whole loans and mortgage securities, and providing collateralized financing to counterparties.
4 DB U.S. Financial Markets Holding Corporation is a second tier holding company for subsidiaries in the United States.
5 Deutsche Bank Securities Inc. is a U.S. company registered as a broker dealer and investment advisor with the Securities and Exchange Commission and as a futures commission merchant with the Commodities Futures Trading Commission.
6 DB Structured Products, Inc. is a U.S. subsidiary that has ceased engaging in new business and has surrendered the licenses it holds in respect of mortgage-related activities.
7 Deutsche Bank Trust Corporation is a bank holding company under Federal Reserve Board regulations.
8 Deutsche Bank Trust Company Americas is a New York State-chartered bank and member of the Federal Reserve System. It originates loans and other forms of credit, accepts deposits, arranges financings and provides numerous other commercial banking and financial services.
9 The primary business of this company comprises Treasury and Markets activities, especially as a major supplier of Euro liquidity for Deutsche Bank Group. Further business activities are the international loan business, where the bank acts as lending office for continental Europe and as risk hub for the Credit Portfolio Strategies Group, and private banking. The company serves private individuals, affluent clients and small business clients with banking products.
10 The company serves private individuals, affluent clients as well as small and medium sized corporate clients with banking products.

[11] The company holds the majority stake in Deutsche Postbank AG (remainder is held at Deutsche Bank AG) and in DWS Holding & Service GmbH.

[12] The business activities of this company comprise retail banking, business with corporate customers, money and capital markets activities as well as home savings loans.

[13] The business activities of this company comprise acquisition, management, coordination and sale of investments in especially investment companies both nationally and internationally for its own account as well as rendering services for general and administrative functions for the investments and other comparable companies.

Property and Equipment

As of December 31, 2015, we operated in 70 countries out of 2,790 branches around the world, of which 65 % were in Germany. We lease a majority of our offices and branches under long-term agreements.

We continue to review our property requirements worldwide taking into account cost containment measures as well as growth initiatives in selected businesses. Please see Note 23 Property and Equipment to the consolidated financial statements for further information.

Information Required by Industry Guide 3

Please see pages S-1 through S-15 of the Supplemental Financial Information, which pages are incorporated by reference herein, for information required by SEC Industry Guide 3.

Item 4A: Unresolved Staff Comments

We have not received written comments from the Securities and Exchange Commission regarding our periodic reports under the Exchange Act, as of any day 180 days or more before the end of the fiscal year to which this annual report relates, which remain unresolved.

Item 5: Operating and Financial Review and Prospects

Overview

The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes to them included in Item 18: Financial Statements of this document, on which we have based this discussion and analysis.

We have prepared our consolidated financial statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU).

Significant Accounting Policies and Critical Accounting Estimates

Our significant accounting policies are essential to understanding our reported results of operations and financial condition. Certain of these 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 have a material impact on our 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. Actual results may differ from these estimates if conditions or underlying circumstances were to change. See Note 1 Significant Accounting Policies and Critical Accounting Estimates to the consolidated financial statements for a discussion on our significant accounting policies and critical accounting estimates.

We have identified the following significant accounting policies that involve critical accounting estimates:

- the impairment of associates
- the impairment of financial assets available for sale
- the determination of fair value
- the recognition of trade date profit
- the impairment of loans and provisions for off-balance sheet positions

the impairment of goodwill and other intangibles
the recognition and measurement of deferred tax assets
the accounting for legal and regulatory contingencies and uncertain tax positions

Recently Adopted Accounting Pronouncements and New Accounting Pronouncements

See Note 2 Recently Adopted and New Accounting Pronouncements to the consolidated financial statements for a discussion on our recently adopted and new accounting pronouncements.

Operating Results

You should read the following discussion and analysis in conjunction with our consolidated financial statements.

Executive Summary

Please see Management Report: Operating and Financial Review: Executive Summary on pages 30 through 32 of the Annual Report 2015.

Trends and Uncertainties

For insight into the trends impacting our performance please see the Management Report: Operating and Financial Review section of the Annual Report 2015. Key risks and uncertainties for the Bank are discussed in Item 3: Key Information Risk Factors .

The Bank s future performance and the implementation of our strategic goals could be influenced by a number of uncertainties. Challenges may arise from sustained market volatility, increasing competitive pressures, weakness of global, regional and national economic conditions and political instability in key markets.

In addition, regulatory and supervisory requirements continue to evolve. Regulatory changes have and may continue to increase our costs, restrict our operations, or require structural change, which could put pressure on our capital position. In addition, we are involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, especially in the U.S. Such matters are subject to many uncertainties.

While we seek to achieve efficiencies in our operations, the results of our operational restructuring and related cost savings and the realization of planned savings are dependent on the successful and timely execution of the measures we have identified Our business segments will be reorganized in 2016 however the operational trend and uncertainties are provided below as per the existing operational structure.

More specifically for CB&S related businesses, operations may continue to be challenged by factors including exposure of global macroeconomic growth to event risks, the potential impact of changes in US and European monetary policy, ongoing regulatory developments and the effects of further balance sheet de-leveraging, litigation charges and expenditures required to comply with regulation.

PBC related businesses may continue to face uncertainties in their operating environment. As a result of the ongoing expansionary monetary policy in the eurozone, we do not expect to experience any relief from the low interest rate environment in the near term. Additional changes in regulatory requirements may further affect overall revenue generation capacity.

For GTB related businesses, uncertainties arise from highly competitive markets and the continued low interest rate environment. Additionally GTB's performance in future periods may also continue to be impacted by increasing cost related to more expansive and rigorous regulatory requirements.

Macroeconomic developments, such as further European sovereign debt issues, emerging market volatility and the changing regulatory environment could negatively impact the future performance of Deutsche AWM related business.

For NCOU, changes in the economic environment and market conditions could create uncertainty in the timeline for our accelerated de-risking strategy. A slowing in the de-risking strategy can create a heightened sensitivity to volatility in risk-weighted asset calculations thereby impacting overall capital delivery in the near term. Further to the uncertainty which arises from the NCOU de-risking strategy, we expect the litigation environment to continue to be challenging.

Performance in Consolidation & Adjustments is primarily impacted by timing differences from different accounting methods used for management reporting and IFRS, plus one-off unallocated items. We still expect volatility from these items in our future results.

Our effective tax rate was mainly impacted by significant non-tax deductible impairments of goodwill and litigation charges. The effective tax rate in future periods could continue to be influenced by the potential occurrence of specific factors.

Results of Operations

Please see Management Report: Operating and Financial Review: Results of Operations on pages 39 to 63 of the Annual Report 2015 and our discussion of non-GAAP financial measures in the Supplementary Information on pages 438 to 442 of the Annual Report 2015.

Financial Position

Please see Management Report: Operating and Financial Review: Financial Position on pages 64 to 67 of the Annual Report 2015.

Liquidity and Capital Resources

For a detailed discussion of our liquidity risk management, see Management Report: Risk Report: Liquidity Risk beginning on page 117 of the Annual Report 2015.

For a detailed discussion of our capital management, see Management Report: Risk Report: Capital Management on beginning on page 96 of the Annual Report 2015.

Post-Employment Benefit Plans

Please see Management Report: Employees: Post-Employment Benefit Plans on page 232 of the Annual Report 2015.

Exposure to Monoline Insurers

Please see Management Report: Operating and Financial Review: Exposure to Monoline Insurers on pages 66 to 67 of the Annual Report 2015.

Off-Balance Sheet Arrangements

For information on the nature, purpose and extent of our off-balance sheet arrangements, please see Note 40 Structured Entities to the consolidated financial statements. For further information on off-balance sheet arrangements, including allowances for off-balance sheet positions, please refer to Management Report: Risk Report: Asset Quality: Allowance for Credit Losses on pages 167 to 168 of the Annual Report 2015 and Note 20 Allowance for Credit Losses to the consolidated financial statements. For information on irrevocable lending commitments and contingent liabilities with respect to third parties, please see Note 30 Credit related Commitments and Contingent Liabilities to the consolidated financial statements.

Tabular Disclosure of Contractual Obligations

Please see Management Report: Operating and Financial Review: Tabular Disclosure of Contractual Obligations on page 69 of the Annual Report 2015.

Research and Development, Patents and Licenses

Not applicable.

Item 6: Directors, Senior Management and Employees

Directors and Senior Management

In accordance with the German Stock Corporation Act (Aktiengesetz), we have a Management Board (Vorstand) and a Supervisory Board (Aufsichtsrat). The Stock Corporation Act prohibits simultaneous membership on both the Management Board and the Supervisory Board. The members of the Management Board are the executive officers of our company. The Management Board is responsible for managing our company and representing us in dealings with third parties. The Supervisory Board oversees the Management Board, appoints and removes its members and determines their remuneration and other compensation components, including pension benefits. According to German law, our Supervisory Board represents us in dealings with members of the Management Board. Therefore, no members of the Management Board may enter into any agreement with us without the prior consent of our Supervisory Board.

German law does not require the members of the Management Board nor the members of the Supervisory Board to own any of our shares to be qualified. Minimum shareholding policies, however, were implemented in 2013/2014. In addition, German law has no requirement that members of the Management Board retire based on an age limit. However, age limits for members of the Management Board are defined contractually. Age limits also exist for the members of the Supervisory Board according to the Terms of Reference for our Supervisory Board. There is a maximum age limit of 70 years for members of the Supervisory Board. In exceptional cases, a Supervisory Board member can be elected or appointed for a period that extends at the latest until the end of the fourth Ordinary General Meeting that takes place after he/she has turned the age of 70.

The Supervisory Board may not make management decisions. However, German law and our Articles of Association (Satzung) require the Management Board to obtain the approval of the Supervisory Board for certain actions. The most important of these actions are:

- granting general powers of attorney (Generalvollmachten). A general power of attorney authorizes its holder to represent the company in substantially all legal matters without limitation to the affairs of a specific office;
- acquisitions and disposals (including transactions carried out by a subsidiary) of real estate when the value of the object exceeds 1 % of our regulatory banking capital (haftendes Eigenkapital);
- granting of credits and the acquisition of participations in other companies, where the German Banking Act requires approval by the Supervisory Board. In particular, the German Banking Act requires the approval of the Supervisory Board if we grant a loan (to the extent legally permissible) to a member of the Management Board or the Supervisory Board or one of our employees who holds a procuration (Prokura) or general power of attorney; and
- acquisitions and disposals (including transactions carried out by a subsidiary) of other participations, insofar as the object involves more than 2 % of our regulatory banking capital. The Supervisory Board must be informed without delay of any acquisition or disposal of such participations involving more than 1 % of our regulatory banking capital.

The Management Board must submit regular reports or ad-hoc reports, as the case may be, to the Supervisory Board on our current operations and future business planning as well as on our risk situation. The Supervisory Board may also request special reports from the Management Board at any time.

With respect to voting powers, a member of the Supervisory Board or the Management Board may not vote on resolutions open to a vote at a board meeting if the proposed resolution concerns:

- a legal transaction between Deutsche Bank AG and the member; or
- commencement, settlement or completion of legal proceedings between Deutsche Bank AG and the member.

A member of the Supervisory Board or the Management Board may not directly or indirectly exercise voting rights on resolutions open to a vote at a shareholders meeting (Hauptversammlung, which we refer to as the General Meeting) if the proposed resolution concerns:

- ratification of the member s acts;
- a discharge of liability of the member; or
- enforcement of a claim against the member by us.

Supervisory Board and Management Board

In carrying out their duties, members of both the Management Board and Supervisory Board must exercise the standard of care of a prudent and diligent business person, and they are liable to us for damages if they fail to do so. Both boards are required to take into account a broad range of considerations in their decisions, including our interests and those of our shareholders, employees and creditors.

The liability of the members of the Management Board or the Supervisory Board under the German Stock Corporation Act for breach of their fiduciary duties is to the company rather than individual shareholders. However, individual shareholders that hold at least 1 % or 100,000 of the subscribed capital and are granted standing by the court may also invoke such liability to the company. The underlying concept is that all shareholders should benefit equally from amounts received under this liability by adding such amounts to the company s assets rather than disbursing them to plaintiff shareholders. We may waive the right to claim damages or settle these claims if at least three years have passed since the alleged breach and if the shareholders approve the waiver or settlement at the General Meeting with a simple majority of the votes cast, and provided that opposing shareholders do not hold, in the aggregate, one tenth or more of our share capital and do not have their opposition formally noted in the minutes maintained by a German notary.

Supervisory Board

Our Articles of Association require our Supervisory Board to have twenty members. In the event that the number of members on our Supervisory Board falls below twenty, the Supervisory Board maintains its authority to pass resolutions so long as at least ten members participate in the passing of a resolution, either in person or by submitting their votes in writing. If the number of members remains below twenty for more than three months or falls below ten, upon application to a competent court, the court must appoint replacement members to serve on the board until official appointments are made.

The German Co-Determination Act of 1976 (Mitbestimmungsgesetz) requires that the shareholders elect half of the members of the supervisory board of large German companies, such as Deutsche Bank, and that employees in Germany elect the other half. None of the current members of either of our boards were selected pursuant to any arrangement or understandings with major shareholders, customers or others.

Each member of the Supervisory Board generally serves for a fixed term of approximately five years. For the election of shareholder representatives, the General Meeting may establish that the terms of office of up to five members may begin or end on differing dates. Pursuant to German law, the term expires at the latest at the end of the Annual General Meeting that approves and ratifies such member s actions in the fourth fiscal year after the year in which the Supervisory Board member was elected. Supervisory Board members may also be re-elected. The shareholders may, by a majority of the votes cast in a General Meeting, remove any member of the Supervisory Board they have elected in a General Meeting. The employees may remove any member they have elected by a vote of three-quarters of the employee votes cast.

The members of the Supervisory Board elect the chairperson and the deputy chairperson of the Supervisory Board. Traditionally, the chairperson is a representative of the shareholders, and the deputy chairperson is a representative of the employees. At least half of the members of the Supervisory Board must be present at a meeting or must have submitted their vote in writing to constitute a quorum. In general, approval by a simple majority of the members of the Supervisory Board present and voting is required to pass a resolution. In the case of a deadlock, the resolution is put to a second vote. In the case of a second deadlock, the chairperson has the deciding vote.

For additional information on our Supervisory Board, including a table providing the names of and biographical information for the current members, see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Supervisory Board on pages 423 to 428 of the Annual Report 2015.

Standing Committees

For information on the standing committees of our Supervisory Board, please see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Standing Committees on pages 428 to 431 of the Annual Report 2015.

The business address of the members of the Supervisory Board is the same as our business address, Taunusanlage 12, 60325 Frankfurt am Main, Germany.

Management Board

Our Articles of Association require the Management Board to have at least three members. Our Management Board currently has ten members. The Supervisory Board has also appointed two Co-Chairmen of the Management Board.

The Supervisory Board appoints the members of the Management Board for a maximum term of five years and oversees them. They may be re-appointed or have their term extended for one or more terms of up to a maximum of five years each. The Supervisory Board may remove a member of the Management Board prior to the expiration of his or her term for good cause.

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Pursuant to our Articles of Association, two members of the Management Board, or one member of the Management Board together with a holder of procuration, may represent us for legal purposes. A holder of procuration is an attorney-in-fact who holds a legally defined power under German law, which cannot be restricted with respect to third parties. However, pursuant to German law, the Management Board itself must resolve on certain matters as a whole and may not delegate the decision to one or more individual members. In particular, it may not delegate the determination of our business and risk strategies, and the coordinating or controlling responsibilities. The Management Board is required to ensure that shareholders are treated on an equal basis and receive equal information. The Management Board is also responsible for ensuring our proper business organisation, which includes appropriate and effective risk management as well as compliance with legal requirements and internal guidelines, and for taking the necessary measures to ensure that adequate internal guidelines are developed and implemented.

Other selected responsibilities of the Management Board in accordance with the Terms of Reference (Ge-schäftsordnung) for the Management Board and/or German law are:

- appointing key personnel at the level directly below the Management Board;
- making decisions regarding significant credit exposures or other risks which have not been delegated to individual risk management units;
- acquisition and disposal of equity investments, including capital actions in all cases in which (i) the law or our Articles of Association require approval by the Supervisory Board, or (ii) the equivalent of 100 million is exceeded;
- acquisition and disposal of real estate directly or by separate legal entities in all cases in which: (i) the law or our Articles of Association require approval by the Supervisory Board, or (ii) the real estate s equivalent exceeds 100 million;
- individual vendor or intra Group-outsourcings (or material changes to those outsourcings) in all cases in which the equivalent of 100 million is exceeded on an annual basis or include the outsourcing of core organisational duties of the Management Board;
- calling shareholders meetings;
- filing petitions to set aside shareholders resolutions;
- preparing and executing shareholders resolutions; and
- reporting to the Supervisory Board.

For additional information on our Management Board, including the names of and biographical information for the current members, see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Management Board on pages 419 to 423 of the Annual Report 2015. The Terms of Reference of the Management Board are published on our website www.db.com/ir/en/documents.htm.

Board Practices of the Management Board

The Terms of Reference for the Management Board are in accordance with the Supervisory Board resolution of December 21, 2015. These Terms of Reference provide that the members of the Management Board have the collective responsibility for managing Deutsche Bank. Notwithstanding this principle, the allocation of functional responsibilities to the individual members of the Management Board and their substitution (in case of temporary absence) are set out in the business allocation plan for the Management Board in accordance with the Supervisory Board resolution of January 27, 2016. The allocation of functional responsibilities does not exempt any member of the Management Board from collective responsibility for the management of the business. The members of the Management Board have primary responsibility for the proper performance and/or delegation of their duties and the clear allocation of accountabilities and responsibilities within the area of own functional responsibility (*Ressort*).

Members of the Management Board are bound to the corporate interest of Deutsche Bank. No member of the Management Board may pursue personal interests in his/her decisions or use business opportunities intended for the company for himself/herself. As permitted by German law, individual members of the Management Board may exercise Deutsche Bank Group-external mandates, honorary offices or special assignments. In order to effectively prevent any conflicts of interest, the members of the Management Board may accept such activities only upon the approval of the other members of the Management Board and the Chairman s Committee of the Supervisory Board. Management Board members generally do not accept the chair of supervisory boards of Group-external companies.

Section 161 of the Stock Corporation Act requires that the management board and supervisory board of any German stock exchange-listed company declare annually that the recommendations of the German Corporate Governance Code have been adopted by the company or which recommendations have not been so adopted. These recommendations go beyond the requirements of the Stock Corporation Act. The Management Board and Supervisory Board issued a new Declaration of Conformity in accordance with Section 161 German Stock Corporation Act on October 28, 2015, which is available on our Internet website at www.db.com/ir/en/documents.htm under the heading Declarations of Conformity .

For information on the Management Board s terms of office, please see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Management Board on pages 419 to 423 of the Annual Report 2015. For details of the Management Board s service contracts providing benefits upon termination, please see Compensation Report: Pension and Transitional Benefits and Compensation Report: Other Benefits upon Premature Termination on pages 221 to 223 of the Management Report.

Group Executive Committee

Please see Corporate Governance Statement/Corporate Governance Report: Management Board and Supervisory Board: Group Executive Committee on page 423 of the Annual Report 2015.

Compensation

For information on the compensation of the members of our Supervisory Board, see Management Report: Compensation Report: Compensation System for Supervisory Board Members on pages 225 to 228 of the Annual Report 2015.

For information on the compensation of the members of our Management Board, see Management Report: Compensation Report: Management Board Report and Disclosure on pages 202 to 211 of the Annual Report 2015 and Management Report: Compensation Report: Board Compensation on pages 212 to 220 of the Annual Report 2015. Additional information on our compensation approach and practices, some of which applies to compensation of the Management Board, is provided in Management Report: Compensation Report on pages 188 to 228 of the Annual Report 2015.

Employees

For information on our employees, see Management Report: Employees on pages 230 to 231 of the Annual Report 2015.

Share Ownership

For the share ownership of the Management Board, see Management Report: Compensation Report: Management Board Share Ownership on pages 224 to 225 of the Annual Report 2015.

For the share ownership of the members of the Supervisory Board, see Corporate Governance Statement/Corporate Governance Report: Reporting and Transparency: Directors Share Ownership on pages 431 to 432 of the Annual Report 2015.

For a description of our employee share programs, please see Note 35 Employee Benefits to the consolidated financial statements.

Item 7: Major Shareholders and Related Party Transactions

Major Shareholders

On December 31, 2015, our issued share capital amounted to 3,530,939,215 divided into 1,379,273,131 no par value ordinary registered shares.

On December 31, 2015, we had 561,559 registered shareholders. 775,314,228 of our shares were registered in the names of 550,399 shareholders resident in Germany, representing 56.21 % of our share capital. 201,455,765 of our shares were registered in the names of 745 shareholders resident in the United States, representing 14.61 % of our share capital.

The German Securities Trading Act (Wertpapierhandelsgesetz) requires investors in publicly-traded corporations whose investments reach certain thresholds to notify both the corporation and the BaFin of such change within four trading days. The minimum disclosure threshold is 3 % of the corporation s issued voting share capital.

Paramount Services Holdings Ltd., British Virgin Islands, an investment vehicle ultimately beneficially owned and controlled by His Excellency Sheikh Hamad Bin Jassim Bin Jabor Al-Thani, notified us that as of June 25, 2014 it held 5.83 % of our shares. It notified us that as of August 20, 2015 it held 3.05 % of our shares. We have received no further notification by Paramount Services Holdings Ltd., British Virgin Islands, through February 26, 2016.

Supreme Universal Holdings Ltd., Cayman Islands, an investment vehicle ultimately beneficially owned and controlled by His Highness Sheikh Hamad Bin Khalifa Al-Thani, has notified us that as of August 20, 2015 it held 3.05 % of our shares. We have received no further notification by Supreme Universal Holdings Ltd., Cayman Islands, through February 26, 2016.

We understand that the changes in ownership reflected in the two prior paragraphs were the result of a transfer of shares from the Paramount Services Holdings Ltd. to Supreme Universal Holdings Ltd.

BlackRock, Inc., New York, has notified us that as of February 19, 2016 it held 6.79 % of our shares. We have received no further notification by BlackRock, Inc., New York, through February 26, 2016.

We are neither directly nor indirectly owned nor controlled by any other corporation, by any government or by any other natural or legal person severally or jointly.

Pursuant to German law and our Articles of Association, to the extent that we may have major shareholders at any time, we may not give them different voting rights from any of our other shareholders.

We are aware of no arrangements which may at a subsequent date result in a change in control of our company.

Related Party Transactions

We have business relationships with a number of the companies in which we own significant equity interests. We also have business relationships with a number of companies where members of our Management Board also hold positions on boards of directors. Our business relationships with these companies cover many of the financial services we provide to our clients generally. For more detailed information, refer to Note 38 Related Party Transactions to the consolidated financial statements.

We conduct our business with these companies on terms equivalent to those that would prevail if we did not have equity holdings in them or management members in common, and we have conducted business with these companies on that basis in 2015 and prior years. None of these transactions is or was material to us.

Among our business with related party companies in 2015, there have been and currently are loans, guarantees and commitments, which totaled 789 million (including loans amounting to 309 million) as of December 31, 2015, compared to 806 million (including loans amounting to 318 million) as of December 31, 2014.

All these credit exposures

- were made in the ordinary course of business,
- were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and
- did not involve more than the normal risk of collectability or present other unfavorable features compared to loans to nonrelated parties at their initiation.

We have not conducted material business with parties that fall outside of the definition of related parties but with whom we or our related parties have a relationship that enables the parties to negotiate terms of material transactions that may not be available from other, more clearly independent parties on an arm s-length basis.

Related Party Impaired Loans

In addition to our other shareholdings, we hold acquired equity interests in some of our clients arising from our efforts to protect our then-outstanding lending exposures to them.

Impaired loans to related parties which may exhibit more than normal risk of collectability or present other unfavorable features compared to performing loans to related parties decreased by 16 million to 3 million, from December 31, 2014, principally driven by a large loan that was impaired as of December 31, 2014 ceasing to be impaired. The following table presents an overview of the impaired loans we hold of some of our related parties as of December 31, 2015.

in m.	Amount outstanding as of December 31, 2015	Largest amount outstanding January 1, to December 31, 2015	Provision for loan losses in 2015 [1]	Allowance for loan losses as of December 31, 2015 [1]	Nature of the loan and transaction in which incurred
Customer A	1	1	0	1	Uncollateralized shareholder loan bearing interest at 7.55 % per annum. The loan is held at contractual terms but interest is accreted at the effective interest rate applied to the carrying amount.
Customer B	2	2	0	1	Consisting of a claim from a collateralized real estate leasing finance unpaid at maturity, bearing interest at 6.62 % per annum. The exposure is past due and payable, interest is

					accreted at the effective interest rate applied to the carrying amount.
Customer C	0	4	0	0	Consisting of a claim from a collateralized real estate leasing finance unpaid at maturity, bearing interest at 4,73 % per annum. The exposure is past due and payable, interest is accreted at the effective interest rate applied to the carrying amount.
Total	**3**	**n/a** [2]	**0**	**1**	

[1] The allowance for loan losses is calculated by subtracting the net present value of future expected cash flows from the current outstanding. The year-end balance of the loan loss allowance is in most cases lower than the amount of provision for credit losses required for the recognition due to unwinding effects based upon passage of time which are recognized in interest income.

[2] Simply adding the largest amounts outstanding of the individual borrowers during the reporting period to arrive at an aggregate outstanding is not applicable as it would imply the assumption that the largest outstandings for all borrowers occurred simultaneously.

In the above table, customer A is an unconsolidated subsidiary of ours, customers B and C are investments held at equity. Impaired loans to all related party customers have been carried forward from the previous year end.

We have not disclosed the names of the related party customers described above because we have concluded that such disclosure would violate applicable privacy laws, such as customer confidentiality and data protection laws, and those customers have not waived application of these privacy laws. A legal opinion regarding the applicable privacy laws is filed as Exhibit 14.1 hereto.

Interests of Experts and Counsel

Not required because this document is filed as an annual report.

Item 8: Financial Information

Consolidated Statements and Other Financial Information

Consolidated Financial Statements

The Financial Statements of this Annual Report on Form 20-F consist of the Consolidated Financial Statements including Notes 1 to 45 thereto, which are set forth as Part 2 of the Annual Report 2015, and, as described in Note 1 Significant Accounting Policies and Critical Accounting Estimates thereto in the third paragraph under Basis of Accounting , certain parts of the Management Report set forth as Part 1 of the Annual Report 2015. Such Consolidated Financial Statements have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft, as described in their Report of Independent Registered Public Accounting Firm included on page 389 of the Annual Report 2015.

Legal Proceedings

General. We and our subsidiaries operate in a legal and regulatory environment that exposes us to significant litigation risks. As a result, we are involved in litigation, arbitration and regulatory proceedings and investigations in Germany and in a number of jurisdictions outside Germany, including the United States. Please refer to Note 29 Provisions to the Consolidated Financial Statements for descriptions of certain significant legal proceedings. Additional legal proceedings that may have, or have had in the recent past, significant effects on our financial position or profitability are described below.

Charter/BMY Matter. On December 8, 2014, the United States Department of Justice (DOJ) filed a civil complaint against, among others, Deutsche Bank, alleging that the bank owes more than U.S.$ 190 million in taxes, penalties, and interest relating to two transactions that occurred between March and May 2000. The DOJ s complaint arises out of Deutsche Bank s March 2000 acquisition of Charter Corp. (Charter) and its subsequent sale in May 2000 of Charter to an unrelated entity, BMY Statutory Trust (the Trust). Charter s primary asset, both at the time of purchase by Deutsche Bank and sale to the Trust, was appreciated Bristol-Myers Squibb Company (BMY) stock. When the BMY stock was sold by the Trust, the Trust offset its gain with a loss from an unrelated transaction. The Internal Revenue Service subsequently disallowed the loss on audit exposing the BMY gain to taxation. The IRS assessed additional tax, penalties and interest against the Trust, which have not been paid. Relying on certain theories, including fraudulent conveyance, the DOJ is now seeking to recoup from Deutsche Bank the taxes, plus penalties and interest, owed by the Trust. On September 24, 2015, the court denied Deutsche Bank s motion to dismiss. Discovery on plaintiff s claims is ongoing.

Corporate Securities Matters. Deutsche Bank and Deutsche Bank Securities Inc. (DBSI) regularly act in the capacity of underwriter and sales agent for debt and equity securities of corporate issuers and are from time to time named as defendants in litigation commenced by investors relating to those securities.

Deutsche Bank and DBSI, along with numerous other financial institutions, was sued in the United States District Court for the Southern District of New York in various actions in their capacity as underwriters and sales agents for debt and equity securities issued by American International Group, Inc. (AIG) between 2006 and 2008. The complaint alleged, among other things, that the offering documents failed to reveal that AIG had substantial exposure to losses due to credit default swaps, that AIG s real estate assets were overvalued, and that AIG s financial statements did not conform to GAAP. On March 20, 2015, the court approved a settlement, funded by AIG, and releasing us from all claims.

DBSI, along with numerous other financial institutions, was named as a defendant in a putative class action lawsuit pending in the United States District Court for the Southern District of New York relating to alleged misstatements and omissions in the registration statement of General Motors Company (GM) in connection with GM s November 18, 2010 initial public offering (IPO). DBSI acted as an underwriter for the offering. On September 4, 2014, the court dismissed all of the plaintiffs claims with prejudice. The court also denied plaintiffs request for leave to further amend the complaint. On May 28, 2015, the Second Circuit affirmed the dismissal, and on July 9, 2015 the Second Circuit denied *en banc* review of plaintiffs appeal. The time allowed for plaintiffs to further appeal has expired. The underwriters, including DBSI, received a customary indemnification agreement from GM as issuer in connection with the offering.

CO_2 Emission Rights. The Frankfurt am Main Office of Public Prosecution (the OPP) is investigating alleged value-added tax (VAT) fraud in connection with the trading of CO_2 emission rights by certain trading firms, some of which also engaged in trading activity with Deutsche Bank. The OPP alleges that certain employees of Deutsche Bank knew that their counterparties were part of a fraudulent scheme to avoid VAT on transactions in CO_2 emission rights, and it searched Deutsche Bank s head office and London branch in April 2010 and issued various requests for documents. In December 2012, the OPP widened the scope of its investigation and again searched Deutsche Bank s head office. It alleges that certain employees deleted e-mails of suspects shortly before the 2010 search and failed to issue a suspicious activity report under the Anti-Money Laundering Act which, according to the OPP, was required. It also alleges that Deutsche Bank filed an incorrect VAT return for 2009, which was signed by two members of the Management Board, and incorrect monthly returns for September 2009 to February 2010. Deutsche Bank is cooperating with the OPP. On February 15, 2016, a criminal trial began in the Frankfurt regional court of seven current and former Deutsche Bank employees who are accused of VAT evasion or of aiding and abetting VAT evasion due to their involvement in CO_2 emissions trading.

Credit Correlation. On May 26, 2015, the U.S. Securities and Exchange Commission (SEC) issued a cease and desist order in a settled administrative proceeding against Deutsche Bank AG. The matter related to the manner in which Deutsche Bank valued gap risk associated with certain Leveraged Super Senior (LSS) synthetic CDO positions during the fourth quarter of 2008 and the first quarter of 2009, which was the height of the financial crisis. Gap risk is the risk that the present value of a trade could exceed the value of posted collateral. During the two quarters at issue, Deutsche Bank did not adjust its value of the LSS trades to account for gap risk, essentially assigning a zero value for gap risk. The SEC found that although there was no standard industry model to value gap risk and the valuation of these instruments was complex, Deutsche Bank did not reasonably adjust the value of the LSS trades for gap risk during these periods, resulting in misstatements of its financial statements for the two quarters at issue. The SEC also found that Deutsche Bank failed to maintain adequate systems and controls over the valuation process. The SEC found violations of Sections 13(a) (requirement to file accurate periodic reports with the SEC), 13(b)(2)(A) (requirement to maintain accurate books and records), and 13(b)(2)(B) (requirement to maintain reasonable internal accounting controls) of the U.S. Securities Exchange Act of 1934. Deutsche Bank paid a U.S.$ 55 million penalty, for which it had previously recorded a provision, and neither admitted nor denied the findings.

Credit Default Swap Antitrust Investigations and Litigation. As previously disclosed, on July 1, 2013, the European Commission (EC) issued a Statement of Objections (the SO) against Deutsche Bank, Markit Group Limited (Markit), the International Swaps and Derivatives Association, Inc. (ISDA), and twelve other banks alleging anti-competitive conduct under Article 101 of the Treaty on the Functioning of the European Union (TFEU) and Article 53 of the European Economic Area Agreement (the EEA Agreement). The SO alleged that attempts by certain entities to engage in exchange trading of unfunded credit derivatives were foreclosed by improper collective action in the period from 2006 through 2009, which constituted a single and continuous infringement of Article 101 of the TFEU and Article 53 of the EEA Agreement. Deutsche Bank contested the EC s preliminary conclusions during 2014 and on December 4, 2015, the EC announced the closure without action of its investigation of Deutsche Bank and the twelve other banks (but not Markit or ISDA).

A multi-district civil class action was filed in the U.S. District Court for the Southern District of New York against Deutsche Bank and numerous other credit default swap (CDS) dealer banks, as well as Markit and ISDA. Plaintiffs filed a second consolidated amended class action complaint on April 11, 2014 alleging that the banks conspired with Markit and ISDA to prevent the establishment of exchange-traded CDS, with the effect of raising prices for over-the-counter CDS transactions. Plaintiffs represent a class of individuals and entities located in the United States or abroad who, during a period from January 1, 2008 through December 31, 2013, directly purchased CDS from or directly sold CDS to the dealer defendants in the United States. The second amended class action complaint did not specify the damages sought. Defendants moved to dismiss the second consolidated amended class action complaint on May 23, 2014. On September 4, 2014, the court granted in part and denied in part the motion to dismiss. On September 30, 2015, Deutsche Bank executed a settlement agreement to resolve the matter for U.S.$ 120 million, which is subject to court approval.

Dole Food Company. DBSI and Deutsche Bank AG New York Branch (DBNY) were named as co-defendants in a class action pending in Delaware Court of Chancery that was brought by former stockholders of Dole Food Company, Inc. (Dole). Plaintiffs alleged that defendant David H. Murdock and certain members of Dole s board and management (who are also named as defendants) breached their fiduciary duties, and that DBSI and DBNY aided and abetted in those breaches, in connection with Mr. Murdock's privatization of Dole, which closed on November 1, 2013 (the Transaction). Trial in this matter concluded on March 9, 2015. On August 27, 2015, the court issued its post-trial decision, which found that (i) DBSI and DBNY were not liable for aiding and abetting breaches of fiduciary duties, and (ii) Mr. Murdock and Dole s former President, Michael Carter, breached their fiduciary duties to Dole s stockholders, holding them responsible for damages of approximately U.S.$ 148 million, prior to the application of interest.

On December 7, 2015, Mr. Murdock and the plaintiffs filed with the court a stipulation of settlement, pursuant to which, among other things, (i) Mr. Murdock agreed to make a payment of damages to Dole s stockholders consistent with the court's decision and (ii) the defendants in the litigation will receive a release from liability with respect to the Transaction, including DBSI and DBNY. In filings dated January 25 and 27, 2016, three purported Dole stockholders objected to the settlement, although two of the three subsequently withdrew their objections. The remaining objector asserted that stockholders who sold their Dole shares after the announcement of the Transaction on June 10, 2013 but prior to the closing of the Transaction on November 1, 2013 should be considered part of the class for purposes of distributing the settlement proceeds. A fairness hearing took place on February 10, 2016 to determine whether the court would approve the stipulation of settlement. At the hearing on February 10, 2016, the court approved the settlement and entered a final order terminating the litigation.

EVAF Matter. RREEF European Value Added Fund I, L.P. (the Fund or EVAF) is a fund managed by Deutsche Bank s subsidiary, Deutsche Alternative Asset Management (UK) Limited (the Manager). In March 2008, the Fund committed to invest in Highstreet Investment, a consortium that acquired a 49 % stake in the landlord that owned a German department store property portfolio. On September 4, 2015, the Fund (acting through a committee of independent advisers of the General Partner of the Fund, which is also a Deutsche Bank subsidiary) filed (in the English High Court) a claim against the Manager claiming that the Manager's decision to make the Highstreet Investment had been grossly negligent, based in part on an allegation that the investment exceeded the concentration limits set out in the Fund s Investment Guidelines, and had caused the Fund losses of at least 158.9 million (plus interest), for which the Manager was liable in damages. The parties have filed and served their statements of case setting out their formal pleaded positions. The Manager has denied acting in a grossly negligent manner and has disputed the Fund s calculation of alleged losses. A case management conference (CMC) hearing took place on February 12, 2016. The CMC set the timetable for the remainder of the proceedings, up to and including trial (which the court has determined will not take place before April 25, 2017).

ISDAFIX. Deutsche Bank has received requests for information from certain regulatory authorities concerning the setting of ISDAFIX benchmarks, which provide average mid-market rates for fixed interest rate swaps. The Bank is cooperating with these requests. In addition, the Bank has been named as a defendant in five putative class actions that were consolidated in the United States District Court for the Southern District of New York asserting antitrust, fraud, and other claims relating to an alleged conspiracy to manipulate the U.S. dollar ISDAFIX benchmark. Plaintiffs filed an amended complaint on February 12, 2015. Defendants filed a motion to dismiss the amended complaint on April 13, 2015, which was fully briefed as of July 15, 2015.

Monte Dei Paschi. In February 2013 Banca Monte Dei Paschi Di Siena (MPS) issued civil proceedings in Italy against Deutsche Bank alleging that Deutsche Bank assisted former MPS senior management in an accounting fraud on MPS, by undertaking repo transactions with MPS and Santorini , a wholly owned SPV of MPS, which helped MPS defer losses on a previous transaction undertaken with Deutsche Bank. Subsequently, in July 2013, the Fondazione Monte Dei Paschi, MPS largest shareholder, also issued civil proceedings in Italy for damages based on substantially the same facts. In December 2013, Deutsche Bank reached an agreement with MPS on the grounds of which the civil proceedings were settled and the transactions were unwound at a discount for MPS. The civil proceedings by the Fondazione Monte Dei Paschi, in which damages of between 120 million and 307 million are claimed, remain pending.

A criminal investigation was launched by the Siena Public Prosecutor into the transactions and certain unrelated transactions entered into by a number of other international banks with MPS. Such investigation was moved in September 2014 from Siena to the Milan Public Prosecutors as a result of a change in the alleged charges being investigated. On February 16, 2016, the Milan Public Prosecutors issued a request of committal to trial against Deutsche Bank AG and six current and former employees. The preliminary hearing before the judge for the preliminary investigation phase (who has to decide whether to adhere to the request of committal to trial or not) is scheduled to take place in March 2016. Separately, Deutsche Bank has also received requests for information from certain regulators relating to the transactions, including with respect to Deutsche Bank s accounting for the transactions and alleged failures by Deutsche Bank s management adequately to supervise the individuals involved in the matter. Deutsche Bank is cooperating with these regulators.

Ocala Litigation. Deutsche Bank is a secured creditor of Ocala Funding LLC (Ocala), a commercial paper vehicle sponsored by Taylor Bean & Whitaker Mortgage Corp. (Taylor Bean), which ceased mortgage lending operations and filed for bankruptcy protection in August 2009. Bank of America is the trustee, collateral agent, custodian and depository agent for Ocala. Deutsche Bank commenced a civil litigation in the United States District Court for the Southern District of New York against Bank of America resulting from Bank of America s failure to secure and safeguard cash and mortgage loans that secured Deutsche Bank s commercial paper investment. On March 31, 2015, pursuant to the terms of a confidential settlement agreement, Deutsche Bank dismissed the action.

Parmalat Litigation. Following the bankruptcy of the Italian company Parmalat, prosecutors in Parma conducted a criminal investigation against various bank employees, including employees of Deutsche Bank, and brought charges of fraudulent bankruptcy against a number of Deutsche Bank employees and others. The trial commenced in September 2009 and is ongoing, although it is in its final stages and is anticipated will conclude in the course of 2016, possibly in the next few months.

Certain retail bondholders and shareholders have alleged civil liability against Deutsche Bank in connection with the above-mentioned criminal proceedings. Deutsche Bank has made a formal settlement offer to those retail investors who have asserted claims against Deutsche Bank. This offer has been accepted by some of the retail investors. The outstanding claims will be heard during the criminal trial process.

In January 2011, a group of institutional investors (bondholders and shareholders) commenced a civil claim for damages, in an aggregate amount of approximately 130 million plus interest and costs, in the Milan courts against various international and Italian banks, including Deutsche Bank and Deutsche Bank S.p.A., on allegations of cooperation with Parmalat in the fraudulent placement of securities and of deepening the insolvency of Parmalat. On January 26, 2015, the court in Milan dismissed the claim on the merits and awarded costs to the banks. Deutsche Bank has subsequently entered into settlement agreements with the claimants and no further action will be taken.

Pas-de-Calais Habitat. On May 31, 2012, Pas-de-Calais Habitat (PDCH), a public housing office, initiated proceedings before the Paris Commercial Court against Deutsche Bank in relation to four swap contracts entered into in 2006, restructured on March 19, 2007 and January 18, 2008 and subsequently restructured in 2009 and on June 15, 2010. PDCH asks the Court to declare the March 19, 2007 and January 18, 2008 swap contracts null and void, or terminated, or to grant damages to PDCH in an amount of approximately 170 million on the grounds, inter alia, that Deutsche Bank committed fraudulent and deceitful acts, manipulated the LIBOR and EURIBOR rates which are used as a basis for calculating the sums due by PDCH under the swap contracts and has breached its obligations to warn, advise and inform PDCH. A decision on the merits is not expected until the second quarter of 2016 at the earliest.

Postbank Voluntary Public Takeover Offer. On September 12, 2010, Deutsche Bank announced the decision to make a takeover offer for the acquisition of all shares in Deutsche Postbank AG. On October 7, 2010, the Bank published the official offer document. In its takeover offer, Deutsche Bank offered to Postbank shareholders a consideration of 25 for each Postbank share.

In November 2010, a former shareholder of Postbank, Effecten-Spiegel AG, which had accepted the takeover offer, brought a claim against Deutsche Bank alleging that the offer price was too low and was not determined in accordance with the applicable law of the Federal Republic of Germany. The plaintiff alleges that Deutsche Bank had been obliged to make a mandatory takeover offer for all shares in Deutsche Postbank AG in 2009 already. The plaintiff avers that, in 2009, the voting rights of Deutsche Post AG in Deutsche Postbank AG had to be attributed to Deutsche Bank AG pursuant to Section 30 of the German Takeover Act.

The Cologne regional court dismissed the claim in 2011 and the Cologne appellate court dismissed the appeal in 2012. The Federal Court set aside the Cologne appellate court s judgment and referred the case back to the appellate court. In its judgment, the Federal Court stated that the appellate court had not sufficiently considered the plaintiff s allegation of an "acting in concert" between Deutsche Bank AG and Deutsche Post AG in 2009. The Cologne appellate court heard the chairman of Deutsche Post s management board as a witness on February 24, 2016. The appelate court will grant the parties the opportunity to comment on the testimony in writing. Thereafter, there will be an additional hearing which is expected to occur in the second quarter of 2016 depending on the availability of the appelate court.

Starting in 2014, some further former shareholders of Deutsche Postbank AG, who accepted the 2010 tender offer, brought similar claims as Effecten-Spiegel AG against Deutsche Bank. The Bank is of the opinion that all these actions, including the action by Effecten-Spiegel AG, are without merit and is defending itself against the claims.

Sebastian Holdings Litigation. Deutsche Bank is in litigation in New York with Sebastian Holdings Inc. ("SHI") in respect of claims arising from FX trading activities in 2008. SHI seeks damages of at least U.S.$ 2.5 billion in an amended complaint filed on January 10, 2011. SHI s claims and Deutsche Bank s defences are substantially similar to those in litigation concluded in the UK Commercial Court in November 2013 arising from the same circumstances in which Deutsche Bank was awarded approximately U.S.$ 236 million plus interest and all of SHI s claims were dismissed. On January 27, 2016, the New York court granted Deutsche Bank s motion for summary judgment dismissing SHI s action based on the UK Commercial Court s judgment. The New York court also denied SHI s motion for leave to file an amended complaint.

In June 2014, Mr. Alexander Vik (SHI's sole shareholder and director) was ordered by the UK Commercial Court personally to pay GBP 34 million by way of an interim award in respect of Deutsche Bank s costs in the UK litigation, plus a further GBP 2 million in accrued interest. Such sums were paid by Mr. Vik who has since sought to appeal this decision in the UK Court of Appeal, which dismissed his application and refused him permission to appeal.

Trust Preferred Securities Litigation. Deutsche Bank and certain of its affiliates and officers are the subject of a consolidated putative class action, filed in the United States District Court for the Southern District of New York, asserting claims under the federal securities laws on behalf of persons who purchased certain trust preferred securities issued by Deutsche Bank and its affiliates between October 2006 and May 2008. The district court dismissed the plaintiffs second amended complaint with prejudice, which dismissal was affirmed by the United States Court of Appeals for the Second Circuit. On July 30, 2014, the plaintiffs filed a petition for rehearing and rehearing en banc with the Second Circuit. On October 16, 2014, the Second Circuit denied the petition. In February 2015, the plaintiffs filed a petition for a writ of certiorari seeking review by the United States Supreme Court. On June 8, 2015, the Supreme Court granted plaintiffs petition, vacated judgment, and remanded the case to the Second Circuit for further consideration in light of its recent decision in Omnicare, Inc. v. Laborers District Council Construction Industry Pension Fund. On June 16, 2015, Deutsche Bank filed a motion with the Second Circuit requesting leave to submit briefing on the question of whether the Second Circuit s prior decision in this case is consistent with the Supreme Court s Omnicare decision. On July 21, 2015, the Court of Appeals remanded the action to the district court for further consideration in light of the Omnicare decision, and denied Deutsche Bank s motion as moot. Deutsche Bank renewed its motion in the district court. The district court denied Deutsche Bank s motion as premature and granted plaintiffs leave to file a third consolidated amended complaint by October 15, 2015, with no further extensions. On October 15, 2015, plaintiffs filed their third consolidated amended complaint, wherein plaintiffs allege unquantified but substantial losses in connection with alleged class-member purchases of trust preferred securities. On December 14, 2015, defendants moved to dismiss the third consolidated amended complaint. The motion remains pending.

ZAO FC Eurokommerz. On December 17, 2013, the liquidator of ZAO FC Eurokommerz commenced proceedings in the Arbitrazh Court of the City of Moscow against Deutsche Bank. The claim amounts to approximately 210 million and relates to the repayment of a RUB 6.25 billion bridge loan facility extended to ZAO FC Eurokommerz on August 21, 2007. The bridge loan was repaid in full on December 21, 2007. LLC Trade House, a creditor of ZAO FC Eurokommerz, filed for bankruptcy on July 31, 2009. The liquidator alleges, among other things, (i) that Deutsche Bank must have known that ZAO FC Eurokommerz was in financial difficulties at the time of repayment and (ii) that the bridge loan was repaid from the proceeds of a securitization transaction which was found to be invalid and consequently the proceeds should not have been available to repay the bridge loan. The first instance hearing on the merits of the claim took place on December 23, 2014. The judge found in favor of Deutsche Bank on the basis of the statute of limitations and the absence of evidence to prove that ZAO FC Eurokommerz was in financial difficulties at the time the loan was repaid and that an abuse of rights was committed by Deutsche Bank when accepting the contested repayment. The liquidator did not file a notice of appeal with the court by the applicable deadline and accordingly we regard this matter as closed.

Dividend Policy

Historically, we have generally paid dividends each year. Dividends of 0.75 were paid for 2014 and for 2013. We may not pay dividends in the future at rates we have paid them in previous years. If we are not profitable, we may not pay dividends at all. Accordingly, no dividend is proposed for 2015 and we also do not intend to pay a dividend for 2016. Furthermore, if we fail to meet the capital adequacy requirements or the liquidity requirements under the Banking Act, the BaFin or the European Central Bank may suspend or limit the payment of dividends. See Item 4: Information on the Company Regulation and Supervision Regulation and Supervision in Germany .

Under German law, our dividends are based on the unconsolidated results of Deutsche Bank AG as prepared in accordance with German accounting rules. Our Management Board, which prepares the annual financial statements of Deutsche Bank AG on an unconsolidated basis, and our Supervisory Board, which reviews them, first allocate part of Deutsche Bank s annual surplus (if any) to our statutory reserves and to any losses carried forward, as it is legally

required to do. They then allocate the remainder between other revenue reserves (or retained earnings) and balance sheet profit. They may allocate up to one-half of this remainder to other revenue reserves, and must allocate at least one-half to balance sheet profit. A profit distribution from balance sheet profit is only permitted to the extent that the balance sheet profit plus distributable earnings exceeds potential dividend blocking items, which consist of deferred tax assets, self-developed software and unrealized gains on plan assets, all net of respective deferred tax liabilities.

We then distribute the full amount of the balance sheet profit not subject to dividend blocking of Deutsche Bank AG if the Annual General Meeting so resolves. The Annual General Meeting may resolve a non-cash distribution instead of, or in addition to, a cash dividend. However, we are not legally required to distribute our balance sheet profit to our shareholders to the extent that we have issued participatory rights (Genussrechte) or granted a silent participation (stille Gesellschaft) that accord their holders the right to a portion of our distributable profit.

We declare dividends by resolution of the Annual General Meeting and pay them once a year. Dividends approved at a General Meeting are payable on the first stock exchange trading day after that meeting, unless otherwise decided at that meeting. In accordance with the German Stock Corporation Act, the record date for determining which holders of our ordinary shares are entitled to the payment of dividends, if any, or other distributions whether cash, stock or property, is the date of the General Meeting at which such dividends or other distributions are declared.

Significant Changes

Except as otherwise stated in this document, there have been no significant changes subsequent to December 31, 2015.

Item 9: The Offer and Listing

Offer and Listing Details and Markets

Our share capital consists of ordinary shares issued in registered form without par value. Under German law, shares without par value are deemed to have a nominal value equal to the total amount of share capital divided by the number of shares. Our shares have a nominal value of 2.56 per share.

The principal trading market for our shares is the Frankfurt Stock Exchange. Our shares are also traded on the six other German stock exchanges (Berlin, Duesseldorf, Hamburg, Hanover, Munich and Stuttgart), on the Eurex and the New York Stock Exchange.

We maintain a share register in Frankfurt am Main and, for the purposes of trading our shares on the New York Stock Exchange, a share register in New York.

All shares on German stock exchanges trade in euros, and all shares on the New York Stock Exchange trade in U.S. dollars. The following table sets forth, for the calendar periods indicated, high, low and period-end prices for our shares as reported by the Frankfurt Stock Exchange and the New York Stock Exchange.

	Price per share (Xetra)[1]			Price per share (NYSE)[2]		
	High (in)	Low (in)	Period-end (in)	High (in U.S.$)	Low (in U.S.$)	Period-end (in U.S.$)
Monthly 2016:						
February	16.61	13.03	15.99	18.10	14.79	17.19
January	22.10	15.97	16.40	23.62	17.61	17.89
Monthly 2015:						
December	24.67	20.69	22.53	26.18	22.83	24.15
November	26.20	23.37	24.31	28.82	25.10	25.69
October	27.98	23.52	25.47	30.82	26.21	27.95
September	27.03	22.95	24.07	30.23	26.05	26.96
Quarterly 2015:						
Fourth Quarter	27.98	20.69	22.53	30.82	22.83	24.15
Third Quarter	32.31	22.95	24.07	35.37	26.05	26.96
Second Quarter	33.42	26.60	26.95	36.20	29.62	30.16
First Quarter	32.90	23.48	32.36	35.49	27.81	34.73
Quarterly 2014:						
Fourth Quarter	28.02	22.66	24.99	35.20	29.35	30.02
Third Quarter	28.30	24.17	27.78	36.69	32.52	34.86
Second Quarter	32.05	25.47	25.70	46.09	34.83	35.18
First Quarter	38.15	29.33	30.97	54.48	42.79	44.83
Annual:						
2015	33.42	20.69	22.53	36.20	22.83	24.15
2014	38.15	22.66	24.99	54.48	29.35	30.02
2013	36.94	28.05	33.07	52.92	38.18	48.24
2012	37.68	21.09	31.43	52.53	27.05	44.29
2011	46.45	19.82	28.08	66.00	28.58	37.86

Note: Data is based on Bloomberg and NYSE Euronext.

1 Historical share prices have been adjusted on June 5, 2014 with retroactive effect to reflect the capital increase by multiplying a correcting factor of 0.9538.
2 Historical share prices are not adjusted for the capital increase in June 2014.

For a discussion of the possible effects of fluctuations in the exchange rate between the euro and the U.S. dollar on the price of our shares, see Item 3: Key Information Exchange Rate and Currency Information.

You should not rely on our past share performance as a guide to our future share performance.

Plan of Distribution

Not required because this document is filed as an annual report.

Selling Shareholders

Not required because this document is filed as an annual report.

Dilution

Not required because this document is filed as an annual report.

Expenses of the Issue

Not required because this document is filed as an annual report.

Item 10: Additional Information

Share Capital

Not required because this document is filed as an annual report.

Memorandum and Articles of Association

The following is a summary of certain information relating to certain provisions of our Articles of Association, our share capital and German law. This summary is not complete and is qualified by reference to our Articles of Association and German law in effect at the date of this filing. Copies of our Articles of Association are publicly available at the Commercial Register in Frankfurt am Main, and an English translation is filed as Exhibit 1.1 to this Annual Report.

Our Business Objectives

Section 2 of our Articles of Association sets out the objectives of our business:

- to transact all aspects of banking business;
- to provide financial and other services; and
- to promote international economic relations.

Our Articles of Association permit us to pursue these objectives directly or through subsidiaries and affiliated companies.

Our Articles of Association also provide that, to the extent permitted by law, we may transact all business and take all steps that appear likely to promote our business objectives. In particular, we may:

- acquire and dispose of real estate;
- establish branches in Germany and abroad;
- acquire, administer and dispose of participations in other enterprises; and
- conclude intercompany agreements (Unternehmensverträge).

Supervisory Board and Management Board

For more information on our Supervisory Board and Management Board, see Item 6: Directors, Senior Management and Employees.

Voting Rights and Shareholders Meetings

Each of our shares entitles its registered holder to one vote at our General Meeting. Our Annual General Meeting takes place within the first eight months of our fiscal year. Pursuant to our Articles of Association, we may hold the meeting in Frankfurt am Main, Düsseldorf or any other

German city with over 500,000 inhabitants. Unless a shorter period is permitted by law, we must give the notice convening the General Meeting at least 30 days before the last day on which shareholders can register their attendance of the General Meeting (which is the fifth day immediately preceding that General Meeting). We are required to include details regarding the shareholder attendance registration process and the issuance of admission cards in our invitation to the General Meeting.

The Management Board or the Supervisory Board may also call an extraordinary General Meeting. Shareholders holding in the aggregate at least 5 % of the nominal value of our share capital may also request that such a meeting be called.

According to our Articles of Association our shares are issued in the form of registered shares. For purposes of registration in the share register, all shareholders are required to notify us of the number of shares they hold and, in the case of natural persons, of their name, address and date of birth and, in the case of legal persons, of their registered name, business address and registered domicile. Both being registered in our share register and the timely registration for attendance of the General Meeting constitute prerequisite conditions for any shareholder s attendance and exercise of voting rights at the General Meeting. Shareholders may register their attendance of a General Meeting with the Management Board (or as otherwise designated in the invitation) by written notice or electronically, no later than the fifth day immediately preceding the date of that General Meeting. Any shareholders who have failed to comply with certain notification requirements summarized under Notification Requirements below are precluded from exercising any rights attached to their shares, including voting rights.

Under German law, upon our request a registered shareholder must inform us whether that shareholder owns the shares registered in its name or whether that shareholder holds the shares for any other person as a nominee shareholder. Both the nominee shareholder and the person for whom the shares are held have an obligation to provide the same personal data as required for registration in the share register with respect to the person for whom the shares are held. For so long as a registered shareholder does not provide the requested information as to its holding of the shares or, in the case of nominee shareholding, the required information about the person for whom the shares are held has not been provided, the shares held by the registered shareholder carry no voting rights.

Shareholders may appoint proxies to represent them at General Meetings. As a matter of German law, a proxy relating to voting rights granted by shares may be revoked at any time.

As a foreign private issuer, we are not required to file a proxy statement under U.S. securities law. The proxy voting process for our shareholders in the United States is substantially similar to the process for publicly held companies incorporated in the United States.

The Annual General Meeting normally adopts resolutions on the following matters:

- appropriation of distributable balance sheet profits (Bilanzgewinn) from the preceding fiscal year;
- formal ratification of the acts (Entlastung) of the members of the Management Board and the members of the Supervisory Board in the preceding fiscal year; and
- appointment of independent auditors for the current fiscal year.

A simple majority of votes cast is generally sufficient to approve a measure, except in cases where a greater majority is otherwise required by our Articles of Association or by law. Under the Stock Corporation Act and the German Transformation Act (Umwandlungsgesetz), certain resolutions of fundamental importance require a majority of at least 75 % of the share capital represented at the General Meeting adopting the resolution, in addition to a majority of the votes cast. Such resolutions include the following matters, among others:

- amendments to our Articles of Association changing our business objectives;
- capital increases that exclude subscription rights;
- capital reductions;
- creation of authorized or conditional capital;
- our dissolution;
- transformations under the German Transformation Act (Umwandlungsgesetz) such as mergers, spin-offs and changes in our legal form;
- transfer of all our assets;
- integration of another company; and

intercompany agreements (in particular, domination and profit-transfer agreements).

Under certain circumstances, such as when a resolution violates our Articles of Association or the Stock Corporation Act, shareholders may file a shareholder action with the appropriate Regional Court (Landgericht) in Germany to set aside resolutions adopted at the General Meeting.

Under German law, the rights of shareholders as a group can be changed by amendment of the company's articles of association. Any amendment of our Articles of Association requires a resolution of the General Meeting. The authority to amend our Articles of Association, insofar as such amendments merely relate to the wording, such as changes of the share capital as a result of the issuance of shares from authorized capital, has been assigned to our Supervisory Board by our Articles of Association. Pursuant to our Articles of Association, the resolutions of the General Meeting are taken by a simple majority of votes and, insofar as a majority of capital stock is required, by a simple majority of capital stock, except where law or our Articles of Association determine otherwise. The rights of individual shareholders can only be changed with their consent. Amendments to the Articles of Association become effective upon their registration in the Commercial Register.

Share Register

We maintain a share register with Registrar Services GmbH and our New York transfer agent, pursuant to an agency agreement between us and Registrar Services GmbH and a sub-agency agreement between Registrar Services GmbH and the New York transfer agent.

Our share register will be open for inspection by shareholders during normal business hours at our offices at Taunusanlage 12, 60325 Frankfurt am Main, Germany. The share register generally contains each shareholder's surname, first name, date of birth, address and the number or the quantity of our shares held. Shareholders may prevent their personal information from appearing in the share register by holding their securities through a bank or custodian. Although the shareholder would remain the beneficial owner of the securities, only the bank's or custodian's name would appear in the share register.

Dividend Rights

For a summary of our dividend policy and legal basis for dividends under German law, see Item 8: Financial Information Dividend Policy.

Increases in Share Capital

German law and our Articles of Association permit us to increase our share capital in any of three ways:

- Resolution by our General Meeting authorizing the issuance of new shares.
- Resolution by our General Meeting authorizing the Management Board, subject to the approval of the Supervisory Board, to issue new shares up to a specified amount (no more than 50 % of existing share capital) within a specified period, which may not exceed five years. This is referred to as authorized capital (genehmigtes Kapital).
- Resolution by our General Meeting authorizing the issuance of new shares up to a specified amount (no more than 50 % of existing share capital) for specific purposes, such as for employee stock options, for use as consideration in a merger or to issue to holders of convertible bonds or other convertible securities. This is referred to as conditional capital (bedingtes Kapital).

The issuance of new ordinary shares by resolution of the General Meeting requires the simple majority of the votes cast and of the share capital represented at the General Meeting. Resolutions of the General Meeting concerning the creation of authorized or conditional capital require the simple majority of the votes cast and a majority of at least 75 % of the share capital represented at the General Meeting.

Liquidation Rights

The Stock Corporation Act requires that if we are liquidated, any liquidation proceeds remaining after the payment of all our liabilities will be distributed to our shareholders in proportion to their shareholdings.

Preemptive Rights

In principle, holders of our shares have preemptive rights allowing them to subscribe any shares, bonds convertible into, or attached warrants to subscribe for, our shares or participatory certificates we issue. Such preemptive rights exist in proportion to the number of shares currently held by the shareholder. Preemptive rights of shareholders may be excluded with respect to any capital increase, however, as part of the resolution by the General Meeting on such capital increase. Such a resolution by the General Meeting on a capital increase that excludes the shareholders preemptive rights with respect thereto requires both a majority of the votes cast and a majority of at least 75 % of the share capital represented at the General Meeting. A resolution to exclude preemptive rights requires that the proposed exclusion is expressly disclosed in the agenda to the General Meeting and that the Management Board presents the reasons for the exclusion to the shareholders in a written report. Under the Stock Corporation Act, preemptive rights may in particular be excluded with respect to capital increases not exceeding 10 % of the existing share capital with an issue price payable in cash not significantly below the stock exchange price at the time of issuance. In addition, shareholders may, in a resolution by the General Meeting on authorized capital, authorize the Management Board to exclude the preemptive rights with respect to newly issued shares from authorized capital in specific circumstances set forth in the resolution.

Shareholders are generally permitted to transfer their preemptive rights. Preemptive rights may be traded on one or more German stock exchanges for a limited number of days prior to the final day the preemptive rights can be exercised.

Notices and Reports

We publish notices pertaining to our shares and the General Meeting in the electronic German Federal Gazette (Bundesanzeiger) and, when so required, in at least one national newspaper designated for exchange notices.

We send our New York transfer agent, through publication or otherwise, a copy of each of our notices pertaining to any General Meeting, any adjourned General Meeting or our actions with respect to any cash or other distributions or the offering of any rights. We provide such notices in the form given or to be given to our shareholders. Our New York transfer agent is requested to arrange for the mailing of such notices to all shareholders registered in the New York registry.

We will make all notices we send to shareholders available at our principal office for inspection by shareholders. Registrar Services GmbH and our New York transfer agent will send copies of all notices pertaining to General Meetings to all registered shareholders. Registrar Services GmbH and our New York transfer agent will send copies of other notices or information material, such as quarterly reports or shareholder letters, to those registered shareholders who have requested to receive such notices or information material.

Charges of Transfer Agents

We pay Registrar Services GmbH and our New York transfer agent customary fees for their services as transfer agents and registrars. Our shareholders will not be required to pay Registrar Services GmbH or our New York transfer agent any fees or charges in connection with their transfers of shares in the share register. Our shareholders will also not be required to pay any fees in connection with the conversion of dividends from euros to U.S. dollars.

Liability of Transfer Agents

Neither Registrar Services GmbH nor our New York transfer agent will be liable to shareholders if prevented or delayed by law, or any circumstances beyond their control, from performing their obligations as transfer agents and registrars.

Notification Requirements

Disclosure of Interests in a Listed Stock Corporation

Disclosure Obligations under the German Securities Trading Act

Pursuant to the German Securities Trading Act (Wertpapierhandelsgesetz), any shareholder whose voting interest in a listed company like Deutsche Bank AG, through acquisition, sale or by other means, reaches, exceeds or falls below a 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 %, 50 % or 75 % threshold must notify us and the BaFin of its current aggregate voting interest in writing and without undue delay, but at the latest within four trading days. In connection with this requirement, the German Securities Trading Act contains various provisions regarding the attribution of voting rights to the person who actually controls the voting rights attached to the shares.

Furthermore, the voting rights attached to a third party s shares are attributed to a shareholder if the shareholder coordinates its conduct concerning the listed company with the third party (so-called acting in concert) either through an agreement or other means. Acting in concert is deemed to exist if the parties coordinate their voting at the listed company s general meeting or, outside the general meeting, coordinate their actions with the goal of significantly and permanently modifying the listed company s corporate strategy. Each party s voting rights are attributed to each of the other parties acting in concert.

Shareholders failing to comply with their notification obligations are prevented from exercising any rights attached to their shares (including voting rights and the right to receive dividends) until they have complied with the notification requirements. In the event of a willful or grossly negligent breach of the notification obligations, shareholders are prevented from exercising their voting rights for a six-month period commencing upon the delayed submission of the notification, unless the shareholder submitted an incorrect notification deviating no more than 10 % from the actual percentage of voting rights and the shareholder notified the listed company that his or her holdings reached, exceeded or fell below the notification thresholds described above. Non-compliance with the disclosure requirement may also result in a fine.

Except for the 3 % threshold, similar notification obligations exist for reaching, exceeding or falling below the thresholds described above when a person holds either instruments that entitle their holder to unilaterally acquire existing shares of the listed company carrying voting rights or instruments with similar economic effect. Holdings in the relevant financial instruments are to be aggregated with the voting rights attached to shares for purposes of determining whether any of the relevant notification thresholds have been triggered.

Deutsche Bank must publish the foregoing notifications without undue delay, but no later than within three trading days after their receipt, and report the publication to the BaFin.

Shareholders whose voting rights reach or exceed thresholds of 10 % of the voting rights in a listed company, or higher thresholds, are obliged to inform the company within 20 trading days of the purpose of their investment and the origin of the funds used for such investment, unless the articles of association of the listed company provide otherwise. Our Articles of Association do not contain such a provision.

Disclosure Obligations under the German Securities Acquisition and Takeover Act

Pursuant to the German Securities Acquisition and Takeover Act, any person whose voting interest reaches or exceeds 30 % of the voting shares of a listed stock corporation must, within seven calendar days, publish this fact (including the percentage of its voting rights) on the Internet and by means of an electronically operated financial information dissemination system. In addition, the person must subsequently make a mandatory public tender offer within four weeks to all shareholders of the listed company unless an exemption has been granted. The German Securities

Acquisition and Takeover Act contains a number of provisions intended to ensure that shareholdings are attributed to those persons who actually control the voting rights attached to the shares. The provisions regarding coordinated conduct as part of the German Securities Acquisition and Takeover Act (so-called acting in concert) and the rules on the attribution of voting rights attached to shares of third parties are the same as the statutory securities trading provisions described above under Disclosure Obligations under the German Securities Trading Act except with respect to voting rights of shares underlying instruments whose holders are vested with the right to unilaterally acquire existing voting shares of the listed company or voting rights which may be acquired on the basis of instruments with similar economic effect. If a shareholder fails to provide notice on reaching or exceeding the 30 % threshold, or fails to make a public tender offer, the shareholder will be precluded from exercising any rights associated with its shares (including voting and dividend rights) until it has complied with the requirements under the German Securities Acquisition and Takeover Act. In addition, non-compliance with the disclosure requirement may result in a fine.

Disclosure of Participations in a Credit Institution

The German Banking Act (Kreditwesengesetz) requires any person intending to acquire, alone or acting in concert with another person, a qualifying holding (bedeutende Beteiligung) in a credit or financial services institution to notify the BaFin and the Bundesbank without undue delay and in writing of the intended acquisition. A qualifying holding is a direct or indirect holding in an undertaking which represents 10 % or more of the capital or voting rights or which makes it possible to exercise a significant influence over the management of such undertaking. The required notice must contain information demonstrating, among other things, the reliability of the person or, in the case of a corporation or other legal entity, the reliability of its directors and officers.

A person holding a qualifying holding shall also notify the BaFin and the Bundesbank without undue delay and in writing if he intends to increase the amount of the qualifying holding up to or beyond the thresholds of 20 %, 30 % or 50 % of the voting rights or capital or in such way that the institution comes under such person s control or if such person intends to reduce the participation below 10 % or below one of the other thresholds described above.

If the qualifying holding notified relates to an interest in a credit institution under the Capital Requirements Regulation (CRR), such as Deutsche Bank AG, the BaFin is not competent to ultimately decide on the acquisition but is required, at least 15 working days prior to expiry of the applicable assessment period, to forward its draft decision to the European Central Bank which ultimately, in accordance with applicable law, is competent to decide upon whether or not to permit the acquisition of the qualifying holding notified.

The competent authority may, within the applicable assessment period of 60 business days, prohibit the intended acquisition if there appears to be reason to assume that the acquirer or its directors and officers are not reliable or financially sound, that the participation would impair the effective supervision of the relevant banking institution, that the prospective managing director (Geschäftsleiter) is not reliable or not qualified, that money laundering or financing of terrorism has occurred or been attempted in connection with the intended acquisition, or that there would be an increased risk of such illegal acts as a result of the intended acquisition. During the applicable assessment period the competent authority may request further information necessary for the assessment. Generally, such a request delays the expiration of the assessment period by up to 20 business days.

If a person acquires a qualifying holding despite such prohibition or without making the required notification, the competent authority may prohibit the person from exercising the voting rights attached to the shares. In addition, non-compliance with the disclosure requirement may result in the imposition of a fine in accordance with statutory provisions. Moreover, the competent authority may order that any disposition of the shares requires its approval and may ultimately appoint a trustee to exercise the voting rights attached to the shares or to sell the shares to the extent they constitute a qualifying holding.

Review of Acquisition of 25 % or more by the German Federal Ministry of Economics and Technology

Pursuant to the German Foreign Trade Act (Außenwirtschaftsgesetz) and the Foreign Trade Regulation (Außenwirtschaftsverordnung), the direct or indirect acquisition of 25 % or more of the voting rights in a German company by

investors from outside the European Union and the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland) or by entities which are owned by 25 % or more by investors from outside the aforementioned region may be reviewed by the German Federal Ministry of Economics and Technology. If the Ministry determines that the acquisition poses a threat to the public policy or public security of Germany, it may impose conditions on or suspend the acquisition or require that it is unwound. The decision to review an acquisition must be made within three months following the conclusion of the contract or publication of the decision to launch a take-over bid or publication of the acquisition of control. The review must be completed within two months following receipt of the complete acquisition documents. No notification of the acquisition is required but the acquirer may seek pre-clearance of a proposed acquisition from the Federal Ministry of Economics and Technology.

EU Short Selling Regulation (ban on naked short selling)

Regulation (EU) No 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (the EU Short Selling Regulation) came into force on November 1, 2012. The EU Short Selling Regulation, the regulations adopted by the EU Commission implementing it, and the German act implementing the EU Short Selling Regulation replace the previously applicable German federal provisions governing the ban on naked short selling of shares and certain debt securities. (Short sales are sales of securities that the seller does not own, with the intention of buying back an identical security at a later point in time in order to be able to deliver the security. A short sale is naked when the seller has not borrowed the securities at the time of the short sale, or ensured they can be borrowed.) Under the EU Short Selling Regulation, short sales of shares are permitted only under certain conditions. Significant net short positions in shares must be reported to the BaFin and, if a certain threshold is exceeded, they must also be publicly disclosed. Net short positions are calculated by netting the long and short positions held by a natural or legal person in the issued capital of the company concerned. The details are set forth in the EU Short Selling Regulation and the regulations adopted by the EU Commission implementing it. In certain situations described in greater detail in the EU Short Selling Regulation, the BaFin is permitted to limit short selling and comparable transactions.

Material Contracts

In the usual course of our business, we enter into numerous contracts with various other entities. We have not, however, entered into any material contracts outside the ordinary course of our business within the past two years.

Exchange Controls

As in other member states of the European Union, regulations issued by the competent European Union authorities to comply with United Nations resolutions have caused freeze orders on assets of certain legal and natural persons designated in such regulations. In addition, Regulation (EU) No. 267/2012 of March 23, 2012, as amended, on restrictive measures against Iran required that certain transfers of funds from or to Iranian persons, entities or bodies that exceed 100,000 (or the equivalent in a foreign currency) must be notified in advance in writing to the Bundesbank. If the amount to be transferred exceeded 400,000 (or the equivalent in a foreign currency), a prior authorization of the Bundesbank was required. These Iran-related measures were repealed on January 16, 2016.

With some exceptions, corporations or individuals residing in Germany are required to report to the Bundesbank any payment received from, or made to or for the account of, a nonresident corporation or individual that exceeds 12,500 (or the equivalent in a foreign currency). This reporting requirement is for statistical purposes.

Subject to the above-mentioned exceptions, there are currently no German laws, decrees or regulations that would prevent the transfer of capital or remittance of dividends or other payments to our shareholders who are not residents or citizens of Germany.

There are also no restrictions under German law or our Articles of Association concerning the right of nonresident or foreign shareholders to hold our shares or to exercise any applicable voting rights. Where the investment reaches or exceeds certain thresholds, however, certain reporting obligations apply and the investment may become subject to review by the BaFin, the European Central Bank and other competent authorities. For more information see Item 10: Additional Information Notification Requirements .

Taxation

The following is a summary of material German and United States federal income tax consequences of the ownership and disposition of shares for a resident of the United States for purposes of the income tax convention between the United States and Germany (the Treaty) who is fully eligible for benefits under the Treaty. A U.S. resident will generally be entitled to Treaty benefits if it is:

- the beneficial owner of shares (and of the dividends paid with respect to the shares);
- an individual resident of the United States, a U.S. corporation, or a partnership, estate or trust to the extent its income is subject to taxation in the United States in its hands or in the hands of its partners or beneficiaries;
- not also a resident of Germany for German tax purposes; and
- not subject to anti-treaty shopping articles under German domestic law or the Treaty that apply in limited circumstances.

The Treaty benefits discussed below generally are not available to shareholders who hold shares in connection with the conduct of business through a permanent establishment in Germany. The summary does not discuss the treatment of those shareholders.

The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular shareholder, including tax considerations that arise from rules of general application or that are generally assumed to be known by shareholders. In particular, the summary deals only with shareholders that will hold shares as capital assets and does not address the tax treatment of shareholders that are subject to special rules, such as fiduciaries of pension, profit-sharing or other employee benefit plans, banks, insurance companies, dealers in securities or currencies, persons that hold shares as a position in a straddle, conversion transaction, synthetic security or other integrated financial transaction, persons that elect mark-to-market treatment, persons that own, directly or indirectly, 10 % or more of our voting stock, persons that hold shares through a partnership or hybrid entity and persons whose functional currency is not the U.S. dollar. The summary is based on German and U.S. laws, treaties and regulatory interpretations, including in the United States current and proposed U.S. Treasury regulations as of the date hereof, all of which are subject to change (possibly with retroactive effect).

Shareholders should consult their own advisors regarding the tax consequences of the ownership and disposition of shares in light of their particular circumstances, including the effect of any state, local or other national laws.

Taxation of Dividends

Dividends that we pay are subject to German withholding tax at an aggregate rate of 26.375 % (consisting of a 25 % withholding tax and a 1.375 % surcharge). Under the Treaty, a U.S. resident will be entitled to receive a refund from the German tax authorities of 11.375 in respect of a declared dividend of 100. For example, for a declared dividend of 100, a U.S. resident initially will receive 73.625 and may claim a refund from the German tax authorities of 11.375 and, therefore, receive a total cash payment of 85 (i.e., 85 % of the declared dividend). For U.S. tax purposes, a U.S. resident will be deemed to have received total dividends of 100. The gross amount of dividends that a U.S. resident receives (which includes amounts withheld in respect of German withholding tax) generally will be subject to U.S. federal income taxation as foreign source dividend income, and will not be eligible for the dividends received deduction generally allowed to U.S. corporations. German withholding tax at the 15 % rate provided under the Treaty will be treated as a foreign income tax that, subject to generally applicable limitations under U.S. tax law, is eligible for credit against a U.S. resident s U.S. federal income tax liability or, at its election, may be deducted in computing taxable income. Thus, for a declared dividend of 100, a U.S. resident will be deemed to have paid German taxes of 15. A U.S. resident cannot claim credits for German taxes that would have been refunded to it if it had filed a claim for refund. Foreign tax credits will not be allowed for withholding taxes imposed in respect of certain short-term or hedged positions. The creditability of foreign withholding taxes may be limited in certain situations, including where the burden of foreign taxes is separated inappropriately from the related foreign income.

Subject to certain exceptions for short-term and hedged positions, qualified dividends received by certain non-corporate U.S. shareholders will generally be subject to taxation in the United States at a lower rate than other ordinary income. Dividends received will be qualified dividends if we (i) are eligible for the benefits of a comprehensive income tax treaty with the United States that the U.S. Internal Revenue Service (IRS) has approved for purposes of the qualified dividend rules and (ii) were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (PFIC). The Treaty has been approved for purposes of the qualified dividend rules, and we believe we qualify for benefits under the Treaty. The determination of whether we are a PFIC must be made annually and is dependent on the particular facts and circumstances at the time. It requires an analysis of our income and valuation of our assets, including goodwill and other intangible assets. Based on our audited financial statements and relevant market and shareholder data, we believe that we were not a PFIC for U.S. federal income tax purposes with respect to our taxable years ended December 31, 2014 or December 31, 2015. In addition, based on our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market and shareholder data, we do not currently anticipate becoming a PFIC for our taxable year ending December 31, 2016, or for the foreseeable future. However, the PFIC rules are complex and their application to financial services companies is unclear. Each U.S. shareholder should consult its own tax advisor regarding the potential applicability of the PFIC regime to us and its implications for their particular circumstances.

If a U.S. resident receives a dividend paid in euros, it will recognize income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. If dividends are converted into U.S. dollars on the date of receipt, a U.S. resident generally should not be required to recognize foreign currency gain or loss in respect of the dividend income but may be required to recognize foreign currency gain or loss on the receipt of a refund in respect of German withholding tax to the extent the U.S. dollar value of the refund differs from the U.S. dollar equivalent of that amount on the date of receipt of the underlying dividend.

Refund Procedures

To claim a refund, a U.S. resident must submit, within four years from the end of the calendar year in which the dividend is received, a claim for refund to the German tax authorities together with the original bank voucher (or certified copy thereof) issued by the paying entity documenting the tax withheld. For dividends received after 2011, the claim for refund must be accompanied by a withholding tax certificate (Kapitalertragsteuerbescheinigung) on an officially prescribed form and issued by the institution that withheld the tax.

Claims for refunds are made on a special German claim for refund form (Form E-USA), which must be filed with the German tax authorities: Bundeszentralamt für Steuern, An der Küppe 1, D-53225 Bonn, Germany. The German claim for refund forms may be obtained inter alia from the German tax authorities at the same address where the applications are filed or can be downloaded from the homepage of the Bundeszentralamt für Steuern (www.bzst.bund.de). A U.S. resident must also submit to the German tax authorities a certification (on IRS Form 6166) with respect to its last filed U.S. federal income tax return. Requests for IRS Form 6166 are made on IRS Form 8802, which requires payment of a user fee. IRS Form 8802 and its instructions can be obtained from the IRS website at www.irs.gov. Instead of the individual refund procedure described above, a U.S. resident may use an IT-supported quick-refund procedure (Datenträgerverfahren DTV / Data Medium Procedure DMP). If the U.S. resident s bank or broker elects to participate in the DMP, it will perform administrative functions necessary to claim the Treaty refund for the beneficiaries. The refund beneficiaries must provide specified information to the DMP participant and confirm to the DMP participant that they meet the conditions of the Treaty provisions and that they authorize the DMP participant to file applications and receive notices and payments on their behalf.

The refund beneficiaries also must provide a certification of filing a tax return on IRS Form 6166 with the DMP participant. In addition, if the individual refund procedure requires a withholding tax certificate (see above), such certificate is generally also necessary under the DMP.

The German tax authorities reserve the right to audit the entitlement to tax refunds for several years following their payment pursuant to the Treaty in individual cases. The DMP participant must assist with the audit by providing the necessary details or by forwarding the queries to the respective refund beneficiaries/shareholders.

The German tax authorities will issue refunds denominated in euros. In the case of shares held through banks or brokers participating in the Depository Trust Company, the refunds will be issued to the Depository Trust Company, which will convert the refunds to U.S. dollars. The resulting amounts will be paid to banks or brokers for the account of holders.

If a U.S. resident holds its shares through a bank or broker who elects to participate in the DMP, it could take at least three weeks for it to receive a refund after a combined claim for refund has been filed with the German tax authorities. If a U.S. resident files a claim for refund directly with the German tax authorities, it could take at least eight months for it to receive a refund. The length of time between filing a claim for refund and receipt of that refund is uncertain and we can give no assurances as to when any refund will be received.

Taxation of Capital Gains

Under the Treaty, a U.S. resident will not be subject to German capital gains tax in respect of a sale or other disposition of shares. For U.S. federal income tax purposes, a U.S. holder will recognize capital gain or loss on the sale or other disposition of shares in an amount equal to the difference between such holder s tax basis in the shares and the U.S. dollar value of the amount realized from their sale or other disposition. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the shares were held for more than one year. The net amount of long-term capital gain realized by an individual generally is subject to taxation at a lower rate than ordinary income. Any such gain generally would be treated as income arising from sources within the United States; any such loss would generally be allocated against U.S. source income. The ability to offset capital losses against ordinary income is subject to limitations.

Shareholders whose shares are held in an account with a German bank or financial services institution (including a German branch of a non-German bank or financial services institution) are urged to consult their own advisors. This summary does not discuss their particular tax situation.

United States Information Reporting and Backup Withholding

Dividends and payments of the proceeds on a sale of shares, paid within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding unless the U.S. resident (i) is a corporation (other than an S corporation) or other exempt recipient or (ii) provides a taxpayer identification number and certifies (on IRS Form W-9) that no loss of exemption from backup withholding has occurred. Shareholders that are not U.S. persons generally are not subject to information reporting or backup withholding.

However, a non-U.S. person may be required to provide a certification (generally on IRS Form W-8BEN or W-8BEN-E) of its non-U.S. status in connection with payments received in the United States or through a U.S.-related financial intermediary.

Backup withholding tax is not an additional tax, and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder s U.S. federal income tax liability, provided the required information is furnished to the IRS.

Shareholders may be subject to other U.S. information reporting requirements. Shareholders should consult their own advisors regarding the application of U.S. information reporting rules in light of their particular circumstances.

German Gift and Inheritance Taxes

Under the current estate, inheritance and gift tax treaty between the United States and Germany (the Estate Tax Treaty), a transfer of shares generally will not be subject to German gift or inheritance tax so long as the donor or decedent, and the heir, donee or other beneficiary, were not domiciled in Germany for purposes of the Estate Tax Treaty at the time the gift was made, or at the time of the decedent s death, and the shares were not held in connection with a permanent establishment or fixed base in Germany.

The Estate Tax Treaty provides a credit against U.S. federal estate and gift tax liability for the amount of inheritance and gift tax paid in Germany, subject to certain limitations, where shares are subject to German inheritance or gift tax and United States federal estate or gift tax.

Other German Taxes

There are presently no German net wealth, transfer, stamp or other similar taxes that would apply to a U.S. resident as a result of the receipt, purchase, ownership or sale of shares.

Dividends and Paying Agents

Not required because this document is filed as an annual report.

Statement by Experts

Not required because this document is filed as an annual report.

Documents on Display

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended. In accordance with these requirements, we file reports and other information with the Securities and Exchange Commission. You may inspect and copy these materials, including this document and its exhibits, at the Commission s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the materials from the Public Reference Room at prescribed rates. You may obtain information on the operation of the Commission s Public Reference Room by calling the Commission in the United States at 1-800-SEC-0330. Our Securities and Exchange Commission filings are also available over the Internet at the Securities and Exchange Commission s website at www.sec.gov under File Number 001-15242.

Subsidiary Information

Not applicable.

Item 11: Quantitative and Qualitative Disclosures about Credit, Market and Other Risk

For Quantitative and Qualitative Disclosures about Credit, Market and Other Risk, please see Management Report: Risk Report beginning on page 79 of the Annual Report 2015.

Please see pages S-1 through S-15 of the Supplemental Financial Information, which pages are incorporated by reference herein, for information required by SEC Industry Guide 3.

Item 12: Description of Securities other than Equity Securities

Not required because this document is filed as an annual report and our ordinary shares are not represented by American Depositary Receipts.

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PART II

Item 13: Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14: Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15: Controls and Procedures

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of our management, including our Co-Chairmen and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of December 31, 2015. There are, as described below, inherent limitations to the effectiveness of any control system, including disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives. Based upon such evaluation, our Co-Chairmen and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective as of December 31, 2015.

Management s Annual Report on Internal Control over Financial Reporting

Management of Deutsche Bank Aktiengesellschaft, together with its consolidated subsidiaries, is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed under the supervision of our co-principal executive officers and our principal financial officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the firm s financial statements for external reporting purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as endorsed by the European Union. As of December 31, 2015, management conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the assessment performed, management has determined that our internal control over financial reporting as of December 31, 2015 was effective based on the COSO framework (2013).

KPMG AG Wirtschaftsprüfungsgesellschaft, the registered public accounting firm that audited the financial statements included in this document, has issued an attestation report on our internal control over financial reporting, which attestation report is set forth below.

Report of Independent Registered Public Accounting Firm

To the Supervisory Board of

Deutsche Bank Aktiengesellschaft:

We have audited Deutsche Bank Aktiengesellschaft and subsidiaries (the Company or Deutsche Bank) internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Annual Report on Internal Control over Financial Reporting . Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Deutsche Bank maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Deutsche Bank Aktiengesellschaft and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2015, and the related notes, and the specific disclosures described in Note 1 to the consolidated financial statements as being part of the financial statements and our report dated March 2, 2016 expressed an unqualified opinion on those consolidated financial statements.

Frankfurt am Main, Germany

March 2, 2016

KPMG AG

Wirtschaftsprüfungsgesellschaft

Change in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation referred to above that occurred during the year ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. As such, disclosure controls and procedures or systems for internal control over financial reporting may not prevent all error and all fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and any design may not succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 16A: Audit Committee Financial Expert

Please see Management Report: Corporate Governance Statement/Corporate Governance Report: Auditing and Controlling: Audit Committee Financial Expert on page 432 of the Annual Report 2015.

Item 16B: Code of Ethics

Please see Management Report: Corporate Governance Statement/Corporate Governance Report: Auditing and Controlling: Code of Business Conduct and Ethics on page 433 of the Annual Report 2015.

Item 16C: Principal Accountant Fees and Services

Please see Management Report: Corporate Governance Statement/Corporate Governance Report: Auditing and Controlling: Principal Accountant Fees and Services on pages 433 and 434 of the Annual Report 2015.

Item 16D: Exemptions from the Listing Standards for Audit Committees

Our common shares are listed on the New York Stock Exchange, the corporate governance rules of which require a foreign private issuer such as us to have an audit committee that satisfies the requirements of Rule 10A-3 under the U.S. Securities Exchange Act of 1934. These requirements include a requirement that the audit committee be composed of members that are independent of the issuer, as defined in the Rule, subject to certain exemptions, including an exemption for employees who are not executive officers of the issuer if the employees are elected or named to the board of directors or audit committee pursuant to the issuer s governing law or documents, an employee collective bargaining or similar agreement or other home country legal or listing requirements. The German Co-Determination Act of 1976 (Mitbestimmungsgesetz) requires that the shareholders elect half of the members of the supervisory board of large German companies, such as us, and that employees in Germany elect the other half. Employee-elected members are typically themselves employees or representatives of labor unions representing employees. Pursuant to law and practice, committees of the Supervisory Board are typically composed of both shareholder- and employee-elected members. Of the current members of our Audit Committee, three Henriette Mark, Gabriele Platscher and Bernd Rose are current employees of Deutsche Bank who have been elected as Supervisory Board members by the employees. None of them is an executive officer. Accordingly, their service on the Audit Committee is permissible pursuant to the exemption from the independence requirements provided for by paragraph (b)(1)(iv)(C) of the Rule. We do not believe the reliance on such exemption would materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of the Rule.

Item 16E: Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In 2015, we repurchased a total of 29,016,156 shares, of which 4.7 million via derivatives, for group purposes pursuant to share buybacks authorized by the General Meeting. During the period from January 1, 2015 until the 2015 Annual General Meeting on May 21, 2015, we repurchased 8,360,000, of which 0.0 million via derivatives, of our ordinary shares pursuant to the authorization granted by the Annual General Meeting on May 22, 2014, at an average price of 26.51 and for a total consideration of 222 million. This authorization was replaced by a new authorization to buy back shares approved by the Annual General Meeting on May 21, 2015. Under the new authorization, up to 137,927,313 shares may be repurchased through April 30, 2020. Of these, 68,963,657 shares may be purchased by using derivatives. During the period from the 2015 Annual General Meeting until December 31, 2015, we repurchased 20,656,156 shares at an average price of 29.06 and for a total consideration of 600 million (excluding option premium). At December 31, 2015, the number of shares held in Treasury from buybacks totaled 296,192 shares. This figure stems from 101,034 shares at the beginning of the year, plus 29.0 million shares from buybacks in 2015, less 28.8 million shares which were used to fulfill delivery obligations in the course of share-based compensation of employees. We did not cancel any shares in 2015.

In addition to these share buybacks for group purposes, pursuant to a shareholder authorization approved at our 2015 Annual General Meeting, we are authorized to buy and sell, for the purpose of securities trading, our ordinary shares through April 30, 2020, provided that the net number of shares held for this purpose at the close of any trading day may not exceed 5 % of our share capital on that day. The gross volume of these securities trading transactions is often large, and even the net amount of such repurchases or sales may, in a given month, be large, though over longer periods of time such transactions tend to offset and are in any event constrained by the 5 % of share capital limit. These securities trading transactions consist predominantly of transactions on major non-U.S. securities exchanges. We also enter into derivative contracts with respect to our shares.

The following table sets forth, for each month in 2015 and for the year as a whole, the total gross number of our shares repurchased by us and our affiliated purchasers (pursuant to both activities described above), the total gross number of shares sold, the net number of shares purchased or sold, the average price paid per share (based on the gross shares repurchased), the number of shares that were purchased for group purposes mentioned above and the maximum number of shares that at that date remained eligible for purchase under such programs.

Issuer Purchases of Equity Securities in 2015

Month	Total number of shares purchased	Total number of shares sold	Net number of shares purchased or (sold)	Average price paid per share (in)	Number of shares purchased for group purposes (incl. derivatives)	Maximum number of shares that may yet be purchased under plans or programs
January	21,517,309	18,566,921	2,950,388	25.18	2,900,000	81,801,964
February	48,576,343	51,320,581	(2,744,238)	27.30	5,460,000	76,341,964
March	25,492,875	25,559,162	(66,287)	30.34	0	76,341,964
April						