

# Pillar 3 Report as of June 30, 2016





# Content

## Introduction – 2

Disclosures according to Pillar 3 of  
the Capital Framework – 2  
Basel 3 and CRR/CRD 4 – 2  
ICAAP, ILAAP and SREP – 3

---

## Risk Quantification and Measurement – 4

---

## Risk and Capital Performance – 5

---

## Leverage Ratio – 19

Leverage Ratio according to revised  
CRR/CRD 4 framework (fully loaded) – 19  
Description of the process used to manage  
the risk of excessive leverage – 22  
Description of the factors that had an impact  
on the leverage ratio in the first half 2016 – 23

---

## Credit Risk Exposure – 24

Credit Risk: Regulatory Assessment – 24

---

## Market Risk Exposures – 27

---

## Operational Risk – 28

---

## Liquidity Risk Exposure – 30

# Introduction

## Disclosures according to Pillar 3 of the Capital Framework

The purpose of this report is to provide additional updates to the Pillar 3 disclosures of the Group as required by the global regulatory framework for capital and liquidity, established by the Basel Committee on Banking Supervision, also known as Basel 3. On European level these are implemented in the disclosure requirements as laid down in Part Eight of the "Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" (Capital Requirements Regulation, or "CRR") and the "Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" (Capital Requirements Directive 4, or "CRD 4"). Germany implemented these CRD 4 requirements into national law in Section 26a of the German Banking Act ("Kreditwesengesetz" or "KWG"). Per regulation it is not required to have Pillar 3 disclosures audited. As such the information provided in this Pillar 3 Report is unaudited.

This report provides updates to the Basel 3 Pillar 3 disclosures to the extent that these Pillar 3 disclosures are not included in the main section of this Interim Report as of June 30, 2016. Where material Pillar 3 disclosure elements are located in the main section of the Interim Report of Deutsche Bank, they are generally referenced from the Pillar 3 Report to the Interim Report accordingly.

## Basel 3 and CRR/CRD 4

In the European Union, the Basel 3 capital framework was implemented by the "Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" (Capital Requirements Regulation, or "CRR") published on June 27, 2013, and the "Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" (Capital Requirements Directive 4, or "CRD 4") published on June 27, 2013.

The new regulatory framework became effective on January 1, 2014, subject to transitional rules. When referring to Deutsche Bank results according to transitional rules we use the term "CRR/CRD 4". When referring to results according to full application of the final framework (without consideration of applicable transitional methodology) we use the term "CRR/CRD 4 fully loaded". In some cases, CRR/CRD 4 maintains transitional rules that had been adopted in earlier capital adequacy frameworks through Basel 2 or Basel 2.5. These relate e.g. to the risk weighting of certain categories of assets and include rules permitting the grandfathering of equity investments at a risk-weight of 100 %. In these cases, our CRR/CRD 4 fully loaded methodology assumes that the impact of the expiration of these transitional rules will be mitigated through sales of the underlying assets or other measures prior to the expiration of the grandfathering provisions.

The new minimum capital ratios were phased in through 2015 and the minimum capital ratio for Common Equity Tier 1 is set to 4.5 % since then. Specific regulatory adjustments are also subject to transitional rules. For instance, new deduction requirements such as deductions for deferred tax assets that rely on future profitability or deductions for indirect and synthetic holdings of own instruments and capital instruments issued by financial sector entities are phased in. The phase in percentage is in general 60 % in 2016 compared to 40 % in 2015. New capital buffer requirements are phased in from 2016 to 2019.

Following the CRR/CRD 4 framework the leverage ratio has been introduced as a non-risk based capital requirement to complement the riskbased capital requirements. The CRR/CRD 4 requires banks to calculate and disclose a regulatory leverage ratio that is generally based on the accounting value as the relevant exposure measure for assets. Specific regulatory exposure measures apply to derivatives and securities financing transactions and off-balance sheet exposures must be added to determine the total leverage exposure.

The CRR/CRD 4 framework further introduced new liquidity standards. The Liquidity Coverage Ratio (LCR) aims to measure a bank's short-term resilience to a severe liquidity stress scenario during a stress period of 30 calendar days. Detailed rules for the calculation of the LCR are set out in the delegated act adopted in October 2014. The LCR became a binding minimum requirement as of 1 October 2015 and is phased in progressively: 60 % from 1 October 2015, 70 % from 2016, 80 % from 2017 and 100 % from 2018, respectively. The Net Stable Funding Ratio (NSFR) requires banks to maintain a stable funding profile in relation to their on- and offbalance sheet exposures. It is expected that revised NSFR rules based on the final Basel framework will be published in 2016 and that a binding minimum ratio for the NSFR will apply from 2018.

There are still some interpretation uncertainties with regard to CRR/CRD 4 rules and some of the related binding Technical Standards are not yet available in their final version. Thus, we will continue to refine our assumptions and models in line with evolution of our as well as the industry's understanding and interpretation of the rules. Against this background, current CRR/CRD 4 measures may not be comparable to previous expectations. Also, our CRR/CRD 4 measures may not be comparable with similarly labeled measures used by our competitors as our competitors' assumptions and estimates regarding such implementation may differ from ours.

## ICAAP, ILAAP and SREP

For details regarding these processes, please refer to the ICAAP, ILAAP and SREP section of the Interim Report.

## Risk Quantification and Measurement

We apply various quantification approaches to measure our risk weighted assets to determine regulatory capital and internal economic capital demand as part of the overall risk management process.

We measure our credit risk, market risk and operational risk to determine risk weighted assets for regulatory capital requirement purposes in line with CRR/CRD4 rules.

For credit risk, we generally apply the advanced IRBA for the majority of our advanced IRBA eligible credit portfolios to calculate the regulatory capital requirements based on respective approvals received from BaFin and ECB. The foundation IRBA is applied to parts of the Postbank corporate portfolio and the so-called 'supervisory slotting criteria' approach is applied to our specialized lending using regulatory risk weights. Furthermore, we treat a subset of our credit risk exposures within the Standardized Approach, mostly permanently in accordance with Article 150 CRR. For the majority of derivative counterparty exposures as well as securities financing transactions ("SFT"), we (excluding Postbank) make use of the internal model method ("IMM") in accordance with Article 283 et seq. CRR and Section 18 et seq. SolvV based on respective approvals received from BaFin and ECB.

For market risk, we measure market and related risks using a) internally developed market risk models ("VaR" and Stressed Value-at-Risk, SVaR), including "CVA VaR" and "SVaR", Incremental risk charge, Comprehensive risk measure and b) the regulatory Market Risk Standardized Approach (MRSA, applied to investment funds with no look through, MRSA-eligible securitizations and positions subject to longevity risk).

For operational risk, we apply the Advanced Measurement Approach ("AMA") to quantify operational risk capital required to underpin unforeseen operational risk losses over the next 12 months. As inputs into the AMA model we use internal loss data as well as external loss data provided by the industry consortium ORX (Operational Riskdata eXchange Association). In addition, we enhance our database with scenarios to cover potential future events that are considered underrepresented in historical data as well as forecasts for ranges of potential losses from legal matters that are not deemed probable but are reasonably possible.

Besides the regulatory risk types (credit risk, market risk and operational risk), we identify measure and monitor a comprehensive variety of risks that come as a result of our business activities. We calculate Pillar II capital demand using Economic Capital (EC) on a Gone Concern methodology based on an internal estimate of capital requirements based on our risk profile. EC calculation was first introduced in 1996 and has been continuously enhanced since then. We measure our internal capital demand by applying a substantially more conservative 99.98% quantile in comparison to the regulatory calibration which is based on 99.90%.

We calculate EC for four risk modules – credit risk, market risk, operational risk and business risk. Reputational and model risks are implicitly covered in strategic risk (and therefore business risk in the EC model) and operational risk. We do not determine EC for liquidity risk, since capital is not appropriate to mitigate liquidity risk. Other more appropriate risk metrics are used to measure and manage this risk instead.

For a comprehensive overview of our risk methodologies which have fundamentally remained unchanged, refer to the 2015 Pillar 3 Report in section "Risk Quantification and Measurement"

# Risk and Capital Performance

## Regulatory Capital

### Capital Adequacy

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

Under the CRR/CRD 4 transitional rules, capital instruments no longer eligible are phased out while the new rules on regulatory adjustments are phased in. These provisions are allowed in order to ease the transition for banks to the fully loaded capital rules. The fully loaded CRR/CRD 4 metrics do not take these transitional rules into account (i.e. all capital instruments no longer eligible are excluded and all new regulatory adjustments are applied). At the same time, CRR/CRD 4 left in place unchanged transitional rules that had been adopted in earlier capital adequacy frameworks through Basel 2.5 regarding the risk weighting of certain categories of assets, e.g. the rule permitting the grandfathering of equity investments at a risk-weight of 100 %. In this case, our CRR/CRD 4 methodology assumes that the impact of the expiration of these transitional rules will be mitigated through sales of the underlying assets or other measures prior to the expiration of the grandfathering provisions at the end of 2017.

## Capital Instruments

For further information with regard to our Capital Instruments, please refer to section “Capital Instruments” of our quarterly Risk Report as of June 30, 2016. A description of the main features of the Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments issued by Deutsche Bank is published on Deutsche Bank’s website [www.db.com/ir/capital-instruments](http://www.db.com/ir/capital-instruments). In addition, this website provides full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments.

### Minimum capital requirements and additional capital buffers

Since 2015 the CET 1 minimum capital requirement applicable to the Group is 4.5 % of RWA. The total capital requirement of 8 % demands further resources that may be met with up to 1.5 % AT1 capital and up to 2 % Tier 2 capital.

In addition to these minimum capital requirements, the following capital buffer requirements were phased-in starting 2016 and will become fully effective from 2019 onwards. In March 2015, Deutsche Bank was designated as a global systemically important institution (G-SII) by the German Federal Financial Supervisory Authority (BaFin) in agreement with Deutsche Bundesbank. The resulting G-SII buffer requirement of 2 % CET 1 capital of RWA in 2019 is phased in with 0.5 % in 2016. The capital conservation buffer requirement of 2.5 % CET 1 capital of RWA in 2019 implemented in Section 10c German Banking Act, based on Article 129 CRD 4 is phased in with 0.625 % in 2016. The institution-specific countercyclical buffer that applies to Deutsche Bank is the weighted average of the countercyclical capital buffers that apply in the jurisdictions where our relevant credit exposures are located. As per June 30, 2016 the countercyclical capital buffer is at 0.01 %.

In addition, pursuant to the Supervisory Review and Evaluation Process (SREP), the ECB may impose capital requirements on individual banks which are more stringent than statutory requirements. On December 4, 2015, the ECB informed Deutsche Bank that the consolidated Group has to keep a CET 1 ratio of at least 10.25 % on a phase-in basis under applicable transitional rules under CRR/CRD 4 at all times. Considering the G-SII buffer of 0.5 % and the countercyclical buffer of 0.01 %, our overall CET 1 requirements amount to 10.76 % as per June 30, 2016.

Further information about minimum capital requirements and additional capital buffers can be found in our Annual Report 2015.

#### Geographical Distribution of Exposures Relevant for the Calculation of the Countercyclical Capital Buffer

in € m.	Jun 30, 2016					
	General credit exposures		Trading book exposures		Securitization exposures	
	Exposure value for SA	Exposure value for IRB	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for Internal models	Exposure value for SA	Exposure value for IRB
Argentina	14	351	0	129	0	0
Australia	181	3,098	996	(201)	83	321
Belgium	154	2,438	149	209	70	0
Brazil	18	2,214	0	453	0	0
Canada	43	4,824	501	(259)	367	2,150
Chile	0	458	1	33	0	0
China	46	8,168	266	5	0	0
France	146	6,483	2,280	(991)	824	860
Germany	7,203	227,288	1,089	350	216	4,654
Hong Kong	30	4,820	52	201	13	0
India	1,428	6,574	36	1,311	12	4,379
Indonesia	18	2,675	5	179	1	0
Italy (incl. San Marino)	4,091	20,657	1,431	(691)	494	453
Japan	57	2,283	311	(1,696)	70	196
Luxembourg	3,205	11,035	587	227	438	1,996
Malaysia	26	985	16	448	1	0
Mexico	26	905	47	576	42	0
Netherlands	5,171	12,908	1,967	(742)	560	566
Norway	0	1,309	125	(72)	27	0
Russian Federation	11	1,277	113	306	94	0
Saudi Arabia	21	2,326	0	(44)	0	0
Singapore	160	6,468	26	117	6	0
South Africa	0	494	10	169	0	0
South Korea	22	3,885	66	106	10	0
Spain	337	16,034	895	117	335	38
Sweden	4	1,201	423	(130)	322	0
Switzerland	185	10,915	448	(43)	132	0
Turkey	9	3,863	0	383	0	0
United Arab Emirates	72	2,432	94	(92)	24	0
United Kingdom	417	26,269	15,632	(544)	2,524	1,666
United States of America (incl. Puerto Rico)	2,260	131,582	25,971	4,985	9,865	48,753
<b>Total</b>	<b>25,356</b>	<b>526,219</b>	<b>53,536</b>	<b>4,796</b>	<b>16,533</b>	<b>66,032</b>



Jun 30, 2016						
in € m.	Own funds requirements				Own funds requirements weights	Countercyclical capital buffer rate (in %)
	of which: General credit exposures	of which: Trading book exposures	of which: Securitization exposures	Total		
Argentina	285	329	0	450	0	0.0
Australia	1,572	1,323	184	2,459	0	0.0
Belgium	723	115	13	829	0	0.0
Brazil	957	496	16	1,221	0	0.0
Canada	1,348	382	351	2,074	0	0.0
Chile	186	(13)	7	187	0	0.0
China	8,779	390	39	9,013	0	0.0
France	2,952	1,256	552	4,544	0	0.0
Germany	72,788	1,539	650	74,315	0	0.0
Hong Kong	1,277	156	11	1,373	0	0.6
India	3,728	4,818	394	6,537	0	0.0
Indonesia	1,241	344	20	1,433	0	0.0
Italy (incl. San Marino)	10,577	1,803	177	11,877	0	0.0
Japan	1,045	(184)	15	1,003	0	0.0
Luxembourg	5,932	685	244	6,737	0	0.0
Malaysia	422	252	3	551	0	0.0
Mexico	437	386	15	666	0	0.0
Netherlands	8,655	1,366	236	9,854	0	0.0
Norway	397	21	0	421	0	1.5
Russian Federation	645	336	74	934	0	0.0
Saudi Arabia	703	38	3	726	0	0.0
Singapore	1,745	883	98	2,288	0	0.0
South Africa	251	630	4	571	0	0.0
South Korea	660	(205)	3	565	0	0.0
Spain	6,908	997	23	7,597	0	0.0
Sweden	497	186	112	761	0	1.5
Switzerland	2,091	566	10	2,450	0	0.0
Turkey	1,269	250	21	1,415	0	0.0
United Arab Emirates	573	32	8	609	0	0.0
United Kingdom	11,655	4,302	1,728	16,631	0	0.0
United States of America (incl. Puerto Rico)	40,166	22,554	8,169	63,631	0	0.0
<b>Total</b>	<b>190,464</b>	<b>46,036</b>	<b>13,179</b>	<b>233,723</b>	<b>0</b>	<b>0.0</b>

## Development of regulatory capital

Our CRR/CRD 4 Tier 1 capital as of June 30, 2016 amounted to € 56.4 billion, consisting of a Common Equity Tier 1 (CET 1) capital of € 49.0 billion and Additional Tier 1 (AT1) capital of € 7.4 billion. The CRR/CRD 4 Tier 1 capital was € 1.8 billion lower than at the end of 2015, primarily driven by a decrease in CET 1 capital of € 3.5 billion since year end 2015 while AT1 capital increased by € 1.6 billion in the same period.

The € 3.5 billion decrease of CRR/CRD 4 CET 1 capital was largely the result of increased regulatory adjustments due to the higher phase-in rate of 60 % in 2016 compared to 40 % in 2015. Moreover the negative impact from Currency Translation Adjustments of € 0.7 billion and losses from remeasurement effects relating to defined benefit pension plans of € 0.3 billion in 2016 contributed to the decrease of CET 1 capital in 2016. Deutsche Bank's revised common share dividend policy refers to the ECB Decision (EU) (2015/4) on the recognition of interim or year-end profits in CET 1 capital as long as the Management Board does not decide and officially announce a different dividend level for the respective year. In line with the Management Board's decision not to propose any dividend on common stock for the fiscal year 2016, no share dividend has been accrued for the first half of 2016.

The € 1.6 billion increase in CRR/CRD 4 AT1 capital was mainly the result of reduced regulatory adjustments (€ 1.8 billion lower than at year end 2015) that were phased out from AT1 capital. These deductions reflect the residual amount of certain CET 1 deductions that are subtracted from CET 1 capital under fully loaded rules, but are allowed to reduce AT1 capital during the transitional period. The phase-in rate for these deductions on the level of CET 1 capital increased to 60 % in 2016 (40 % in 2015) and decreased correspondingly on the level of AT1 capital to 40 % in 2016 (60 % in 2015). The reduction of regulatory adjustments on the level of AT1 capital over-compensated the decrease in our CRR/CRD 4 AT1 capital instruments of € 0.2 billion (compared to December 31, 2015) that resulted mainly from our redemptions of legacy Hybrid Tier 1 capital and negative foreign exchange effects in our USD-denominated instruments.

Our fully loaded CRR/CRD 4 Tier 1 capital as of June 30, 2016 was € 48.1 billion, compared to € 48.7 billion at the end of 2015. Our fully loaded CRR/CRD 4 CET 1 capital amounted to € 43.5 billion as of June 30, 2016, compared to € 44.1 billion as of December 31, 2015. Our fully loaded CRR/CRD 4 Additional Tier 1 capital amounted to € 4.6 billion as per end of June 2016, unchanged compared to year end 2015.

The decrease of our fully loaded CET 1 capital of € 0.6 billion compared to year end 2015 capital was largely the result of a negative impact from Currency Translation Adjustments of € 0.7 billion with partially positive foreign exchange counter-effects in capital deduction items. The decrease was furthermore driven by remeasurement losses related to defined benefit pension plans of € 0.3 billion.

## Reconciliation of Consolidated Balance Sheet according to IFRS to regulatory Balance Sheet (unaudited)

	30.06.2016			31.12.2015			
	Financial Balance Sheet	Decon- solidation/ Consolidation of entities	Regulatory Balance Sheet	Financial Balance Sheet	Decon- solidation/ Consolidation of entities	Regulatory Balance Sheet	Refer- ences <sup>1</sup>
in € m.							
<b>Assets:</b>							
Cash and central bank balances	122,868	(76)	122,792	96,940	(87)	96,853	
Interbank balances (w/o central banks)	11,346	(1,498)	9,848	12,842	(2,432)	10,410	
Central bank funds sold and securities purchased under resale agreements	24,404	0	24,404	22,456	0	22,456	
Securities borrowed	29,670	(8)	29,662	33,557	(5)	33,552	
Financial assets at fair value through profit or loss							
Trading assets	178,559	(5,578)	172,981	196,035	(3,331)	192,704	
Positive market values from derivative financial instruments	615,426	4,122	619,548	515,594	2,313	517,907	
Financial assets designated at fair value through profit or loss	117,401	(11,110)	106,291	109,253	(12,701)	96,552	
Total financial assets at fair value through profit or loss	911,386	(12,566)	898,820	820,883	(13,719)	807,163	
Financial assets available for sale	74,274	22,672	96,947	73,583	20,473	94,056	
Equity method investments	910	(74)	836	1,013	(76)	937	h
thereof: Goodwill	71	0	71	28	0	28	e
Loans	428,411	1,665	430,076	427,749	1,061	428,810	
Securities held to maturity	3,224	0	3,224	0	0	0	
Property and equipment	2,851	(226)	2,626	2,846	(209)	2,638	
Goodwill and other intangible assets	9,907	(1,209)	8,697	10,078	(1,330)	8,748	e
Other assets	174,940	(373)	174,567	118,137	(404)	117,734	
thereof: Defined benefit pension fund assets	1,127	0	1,127	1,173	0	1,173	g
Assets for current tax	1,361	(9)	1,353	1,285	(129)	1,155	
Deferred tax assets	7,737	(189)	7,549	7,762	(7)	7,755	f
<b>Total assets</b>	<b>1,803,290</b>	<b>8,111</b>	<b>1,811,401</b>	<b>1,629,130</b>	<b>3,136</b>	<b>1,632,266</b>	
<b>Liabilities and equity:</b>							
Deposits	565,645	5,197	570,841	566,974	5,725	572,699	
Central bank funds purchased and securities sold under repurchase agreements	17,745	0	17,745	9,803	0	9,803	
Securities loaned	2,681	(8)	2,672	3,270	(5)	3,266	
Financial liabilities at fair value through profit or loss							
Trading liabilities	65,810	(185)	65,625	52,304	(190)	52,115	
Negative market values from derivative financial instruments	598,837	1,579	600,416	494,076	301	494,377	
Financial liabilities designated at fair value through profit or loss	55,126	(1,057)	54,069	44,852	(1,196)	43,655	
Investment contract liabilities	7,472	(7,472)	0	8,522	(8,522)	0	
Total financial liabilities at fair value through profit or loss	727,246	(7,135)	720,111	599,754	(9,607)	590,148	
Other short-term borrowings	24,682	(169)	24,513	28,010	(1,519)	26,491	
Other liabilities	217,795	(10,129)	207,665	175,005	(12,156)	162,849	
Provisions	9,306	(10)	9,295	9,207	(70)	9,137	
Liabilities for current tax	1,497	(49)	1,448	1,699	(149)	1,550	
Deferred tax liabilities	810	(275)	535	746	(295)	451	
Long-term debt	162,905	20,695	183,600	160,016	21,505	181,521	
thereof: Subordinated long-term debt <sup>2</sup>	7,857	0	7,857	7,826	0	7,826	j, k
Trust preferred securities <sup>2</sup>	6,171	286	6,457	7,020	388	7,409	j, k
Obligation to purchase common shares	0	0	0	0	0	0	
<b>Total liabilities</b>	<b>1,736,481</b>	<b>8,402</b>	<b>1,744,882</b>	<b>1,561,506</b>	<b>3,817</b>	<b>1,565,323</b>	

	30.06.2016			31.12.2015			References <sup>1</sup>
	Financial Balance Sheet	Decon- solidation/ Consolidation of entities	Regulatory Balance Sheet	Financial Balance Sheet	Decon- solidation/ Consolidation of entities	Regulatory Balance Sheet	
in € m.							
Common shares, no par value, nominal value of € 2.56	3,531	0	3,531	3,531	0	3,531	a
Additional paid-in capital	33,615	(6)	33,609	33,572	(5)	33,568	a
Retained earnings	20,864	(74)	20,790	21,182	(251)	20,931	b
Common shares in treasury, at cost	(192)	0	(192)	(10)	0	(10)	a
Equity classified as obligation to purchase common shares	0	0	0	0	0	0	a
Accumulated other comprehensive income (loss), net of tax	4,047	(110)	3,937	4,404	(307)	4,096	c
<b>Total shareholders' equity</b>	<b>61,865</b>	<b>(189)</b>	<b>61,676</b>	<b>62,678</b>	<b>(563)</b>	<b>62,115</b>	
Additional equity components	4,675	0	4,675	4,675	0	4,675	i
Noncontrolling interests	269	(102)	168	270	(118)	153	d
<b>Total equity</b>	<b>66,809</b>	<b>(291)</b>	<b>66,519</b>	<b>67,624</b>	<b>(681)</b>	<b>66,943</b>	
<b>Total liabilities and equity</b>	<b>1,803,290</b>	<b>8,111</b>	<b>1,811,401</b>	<b>1,629,130</b>	<b>3,136</b>	<b>1,632,266</b>	

<sup>1</sup> References provide the mapping of regulatory balance sheet items used to calculate regulatory capital as reflected in the column "References" in "Transitional template for Regulatory Capital, RWA and Capital Ratios (unaudited)". Where applicable, more detailed information are provided in the respective reference footnote section.

<sup>2</sup> Eligible Additional Tier 1 and Tier 2 instruments are reflected in these balance sheet positions with their values according to IFRS.

## Transitional template for Regulatory Capital, RWA and Capital Ratios (unaudited)

in € m.	Jun 30, 2016		Dec 31, 2015		References <sup>1</sup>
	CRR/CRD 4 fully loaded	CRR/CRD 4	CRR/CRD 4 fully loaded	CRR/CRD 4	
<b>Common Equity Tier 1 (CET 1) capital: instruments and reserves</b>					
Capital instruments and the related share premium accounts	36,948	36,948	37,088	37,088	a
Thereof: Ordinary shares <sup>2</sup>	36,948	36,948	37,088	37,088	a
Retained earnings	20,112	20,112	27,607	27,607	b
Accumulated other comprehensive income (loss), net of tax	3,937	3,981	4,096	4,281	c
Funds for general banking risk	0	0	0	0	
Amount of qualifying items referred to in Art. 484 (3) CRR and the related share premium accounts subject to phase out from CET 1	N/M	0	N/M	0	
Public sector capital injections grandfathered until January 1, 2018	N/M	N/M	N/M	N/M	
Noncontrolling Interests (amount allowed in consolidated CET 1)	0	67	0	92	d
Independently reviewed interim profits net of any foreseeable charge or dividend <sup>3</sup>	175	175	(7,025)	(7,025)	b
<b>Common Equity Tier 1 (CET 1) capital before regulatory adjustments</b>	<b>61,173</b>	<b>61,284</b>	<b>61,766</b>	<b>62,042</b>	
<b>Common Equity Tier 1 (CET 1) capital: regulatory adjustments</b>					
Additional value adjustments (negative amount) <sup>4</sup>	(1,541)	(1,541)	(1,877)	(1,877)	
Goodwill and other intangible assets (net of related tax liabilities) (negative amount)	(8,341)	(5,005)	(8,439)	(3,376)	e
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities where the conditions in Art. 38 (3) CRR are met) (negative amount)	(3,650)	(2,190)	(3,310)	(1,324)	f
Fair value reserves related to gains or losses on cash flow hedges	(222)	(222)	(196)	(196)	
Negative amounts resulting from the calculation of expected loss amounts	(471)	(298)	(106)	(58)	
Any increase in equity that results from securitized assets (negative amount)	(25)	(25)	(20)	(20)	
Gains or losses on liabilities designated at fair value resulting from changes in own credit standing <sup>5</sup>	(723)	(448)	(407)	(114)	
Defined benefit pension fund assets (negative amount)	(1,127)	(676)	(1,173)	(469)	g
Direct, indirect and synthetic holdings by an institution of own CET 1 instruments (negative amount) <sup>6</sup>	(35)	(27)	(76)	(39)	
Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	0	0	0	
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount) <sup>7</sup>	0	0	0	0	
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)	0	0	0	0	
Exposure amount of the following items which qualify for a Risk Weight of 1250 %, where the institution opts for the deduction alternative	0	0	0	0	
Thereof:					
Qualifying holdings outside the financial sector (negative amount)	0	0	0	0	
Securitization positions (negative amount)	0	0	0	0	
Free deliveries (negative amount)	0	0	0	0	
Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liabilities where the conditions in Art. 38 (3) CRR are met) (negative amount)	0	0	0	0	f

in € m.	Jun 30, 2016		Dec 31, 2015		References <sup>1</sup>
	CRR/CRD 4 fully loaded	CRR/CRD 4	CRR/CRD 4 fully loaded	CRR/CRD 4	
Amount exceeding the 15 % threshold (negative amount)	(1,231)	(628)	(1,770)	(602)	
Thereof:					
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities	(584)	(298)	(818)	(278)	h
Deferred tax assets arising from temporary differences	(647)	(330)	(953)	(324)	f
Losses for the current financial year (negative amount)	0	0	0	0	
Regulatory adjustments applied to CET 1 capital in respect of amounts subject to pre-CRR treatment:	N/M	0	N/M	0	
Regulatory adjustments relating to unrealized gains and losses pursuant to Art. 467 and 468 CRR	N/M	(960)	N/M	(1,246)	
Amount to be deducted from or added to CET 1 capital with regard to additional filters and deductions required pre CRR <sup>8</sup>	(286)	(286)	(291)	(291)	
Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	0	0	0	0	
Other regulatory adjustments	0	0	0	0	
<b>Total regulatory adjustments to Common Equity Tier 1 (CET 1) capital</b>	<b>(17,653)</b>	<b>(12,308)</b>	<b>(17,665)</b>	<b>(9,613)</b>	
<b>Common Equity Tier 1 (CET 1) capital</b>	<b>43,520</b>	<b>48,977</b>	<b>44,101</b>	<b>52,429</b>	
<b>Additional Tier 1 (AT1) capital: instruments</b>					
Capital instruments and the related share premium accounts	4,676	4,676	4,676	4,676	i
Thereof:					
Classified as equity under applicable accounting standards	4,676	4,676	4,676	4,676	i
Classified as liabilities under applicable accounting standards	0	0	0	0	
Amount of qualifying items referred to in Art. 484 (4) CRR and the related share premium accounts subject to phase out from AT1	N/M	6,316	N/M	6,482	j
Public sector capital injections grandfathered until January 1, 2018	N/M	N/M	N/M	N/M	
Tier 1 capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	0	0	0	0	
Thereof: instruments issued by subsidiaries subject to phase out	N/M	0	N/M	0	
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>4,676</b>	<b>10,991</b>	<b>4,676</b>	<b>11,157</b>	
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>					
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(125)	(51)	(125)	(48)	i
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	0	0	0	
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10 % threshold and net of eligible short positions) (negative amount) <sup>7</sup>	0	0	0	0	
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10 % threshold net of eligible short positions) (negative amount)	0	0	0	0	
Regulatory adjustments applied to AT1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in CRR (i.e., residual amounts)	N/M	0	N/M	0	

in € m.	Jun 30, 2016		Dec 31, 2015		References <sup>1</sup>
	CRR/CRD 4 fully loaded	CRR/CRD 4	CRR/CRD 4 fully loaded	CRR/CRD 4	
Residual amounts deducted from AT1 capital with regard to deduction from CET 1 capital during the transitional period pursuant to Art. 472 CRR	N/M	(3,535)	N/M	(5,316)	
Thereof:					
Goodwill and other intangible assets (net of related tax liabilities)	N/M	(3,336)	N/M	(5,064)	e
Negative amounts resulting from the calculation of expected loss amounts	N/M	(99)	N/M	(44)	
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities	N/M	(99)	N/M	(209)	h
Residual amounts deducted from AT1 capital with regard to deduction from Tier 2 (T2) capital during the transitional period pursuant to Art. 475 CRR	N/M	0	N/M	0	
Amount to be deducted from or added to AT1 capital with regard to additional filters and deductions required pre CRR	N/M	0	N/M	0	
Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	0	0	0	0	
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>(125)</b>	<b>(3,586)</b>	<b>(125)</b>	<b>(5,365)</b>	
<b>Additional Tier 1 (AT1) capital</b>	<b>4,551</b>	<b>7,405</b>	<b>4,551</b>	<b>5,793</b>	
<b>Tier 1 capital (T1 = CET 1 + AT1)</b>	<b>48,071</b>	<b>56,382</b>	<b>48,651</b>	<b>58,222</b>	
<b>Tier 2 (T2) capital: instruments and provisions</b>					
Capital instruments and the related share premium accounts <sup>9</sup>	12,192	6,354	11,672	5,757	k
Amount of qualifying items referred to in Art. 484 (5) CRR and the related share premium accounts subject to phase out from T2	N/M	0	N/M	0	k
Public sector capital injections grandfathered until January 1, 2018	N/M	N/M	N/M	N/M	
Qualifying own funds instruments included in consolidated T2 capital issued by subsidiaries and held by third parties	500	623	723	865	k
Thereof: instruments issued by subsidiaries subject to phase out	N/M	0	N/M	0	
Credit risk adjustments	0	0	0	0	
<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>12,692</b>	<b>6,977</b>	<b>12,395</b>	<b>6,622</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>					
Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(92)	(89)	(71)	(71)	k
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	0	0	0	0	
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount) <sup>7</sup>	0	0	0	0	
Thereof:					
New holdings not subject to transitional arrangements	N/M	N/M	N/M	N/M	
Holdings existing before January 1, 2013 and subject to transitional arrangements	N/M	N/M	N/M	N/M	
Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	0	0	0	
Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in CRR (i.e., residual amounts)	N/M	0	N/M	0	

in € m.	Jun 30, 2016		Dec 31, 2015		References <sup>1</sup>
	CRR/CRD 4 fully loaded	CRR/CRD 4	CRR/CRD 4 fully loaded	CRR/CRD 4	
Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Art. 472 CRR	N/M	(199)	N/M	(252)	
Thereof:					
Negative amounts resulting from the calculation of expected loss amounts	N/M	(99)	N/M	(44)	
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities	N/M	(99)	N/M	(209)	h
Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Art. 475 CRR	N/M	0	N/M	0	
Thereof:					
Reciprocal cross holdings in AT1 instruments	N/M	0	N/M	0	
Direct holdings of nonsignificant investments in the capital of other financial sector entities	N/M	0	N/M	0	
Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	0	0	0	0	
<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>(92)</b>	<b>(287)</b>	<b>(71)</b>	<b>(323)</b>	
<b>Tier 2 (T2) capital</b>	<b>12,600</b>	<b>6,690</b>	<b>12,325</b>	<b>6,299</b>	
<b>Total capital (TC = T1 + T2)</b>	<b>60,671</b>	<b>63,071</b>	<b>60,976</b>	<b>64,522</b>	
Risk-weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in CRR (i.e., residual amounts) <sup>10</sup>	N/M	0	N/M	0	
Thereof:					
Items not deducted from CET 1 (CRR residual amounts)	N/M	0	N/M	0	
Items not deducted from AT1 items (CRR residual amounts)	N/M	0	N/M	0	
Items not deducted from T2 items (CRR residual amounts)	N/M	0	N/M	0	
Thereof:					
Indirect and synthetic holdings of own T2 instruments	N/M	0	N/M	0	
Indirect and synthetic holdings of nonsignificant investments in the capital of other financial sector entities	N/M	0	N/M	0	
Indirect and synthetic holdings of significant investments in the capital of other financial sector entities	N/M	0	N/M	0	
<b>Total risk-weighted assets</b>	<b>402,217</b>	<b>402,677</b>	<b>396,714</b>	<b>397,382</b>	
Thereof:					
Credit Risk (including Settlement Risk)	247,865	248,324	241,360	242,028	
Credit Valuation Adjustment (CVA)	13,516	13,516	15,877	15,877	
Market Risk	44,491	44,491	49,553	49,553	
Operational Risk	96,345	96,345	89,923	89,923	
<b>Capital ratios and buffers</b>					
Common Equity Tier 1 capital ratio (as a percentage of risk-weighted assets)	10.8	12.2	11.1	13.2	
Tier 1 capital ratio (as a percentage of risk-weighted assets)	12.0	14.0	12.3	14.7	
Total capital ratio (as a percentage of risk-weighted assets)	15.1	15.7	15.4	16.2	
Institution specific buffer requirement (CET 1 requirement in accordance with Art. 92 (1) (a) CRR plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk-weighted assets)	9.0	5.6	9.0	4.5	
Thereof:					
Capital conservation buffer requirement	2.5	0.6	2.5	0.0	
Countercyclical buffer requirement	N/M	N/M	N/M	N/M	
Systemic risk buffer requirement	0.0	0.0	0.0	0.0	
Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	2.0	0.5	2.0	0.0	
Common Equity Tier 1 capital available to meet buffers (as a percentage of risk-weighted assets) <sup>11</sup>	6.0	7.3	6.3	8.2	



in € m.	Jun 30, 2016	Dec 31, 2015		References <sup>1</sup>
	CRR/CRD 4 fully loaded	CRR/CRD 4	CRR/CRD 4 fully loaded	CRR/CRD 4
<b>Amounts below the thresholds for deduction (before risk weighting)</b>				
Direct, indirect and synthetic holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions) <sup>7</sup>	2,198	2,198	2,030	2,030
Direct, indirect and synthetic holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	3,098	3,185	3,056	3,178
Deferred tax assets arising from temporary differences (amount below 10 % threshold, net of related tax liability where the conditions in Art. 38 (3) CRR are met)	3,431	3,528	3,560	3,703
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>				
Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	0	0	0	0
Cap on inclusion of credit risk adjustments in T2 under standardized approach	287	287	301	301
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0	0	0	0
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	1,120	1,120	1,022	1,022
<b>Capital instruments subject to phase-out arrangements</b>				
Current cap on CET 1 instruments subject to phase-out arrangements	N/M	0	N/M	0
Amount excluded from CET 1 due to cap (excess over cap after redemptions and maturities)	N/M	0	N/M	0
Current cap on AT1 instruments subject to phase-out arrangements	N/M	7,516	N/M	8,768
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/M	0	N/M	0
Current cap on T2 instruments subject to phase-out arrangements	N/M	2,026	N/M	2,363
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/M	0	N/M	0

N/M – Not meaningful

<sup>1</sup> References provide the mapping of regulatory balance sheet items used to calculate regulatory capital as reflected in the column "References" in "Reconciliation of Consolidated Balance Sheet according to IFRS to regulatory Balance Sheet (unaudited)". Where applicable, more detailed information are provided in the respective reference footnote section.

<sup>2</sup> Based on EBA list as referred to in Article 26 (3) CRR.

<sup>3</sup> Reflects the ECB decision (EU) (2015/4) from February 4, 2015 on the recognition of interim or year-end profits in CET 1 capital. Our revised common share dividend policy refers to the ECB decision as long as the Management Board does not decide and officially announce a different dividend level for the respective year. Following the announcement to pay no dividend to common shareholders for the fiscal year 2016, no common share dividend has been accrued.

<sup>4</sup> The € 1.5 billion additional value adjustments were derived from the EBA Regulatory Technical Standard on prudent valuation and are before consideration of a benefit from the related reduction of the shortfall of provisions to expected losses of € 0.4 billion.

<sup>5</sup> Gains and losses on liabilities of the institution that are valued at fair value that result from changes in the own credit standing of the institution according to Article 33 (1) (b) CRR as well as all fair value gains and losses arising from the institution's own credit risk related to derivative liabilities according to Article 33 (1) (c) CRR.

<sup>6</sup> Excludes holdings that are already considered in the accounting base of Common Equity.

<sup>7</sup> Based on our current interpretation no deduction amount expected.

<sup>8</sup> Prudential filter for fund for home loans and savings protection ("Fonds zur baupartechnischen Absicherung").

<sup>9</sup> Amortization is taken into account.

<sup>10</sup> Excludes risk-weighted assets for positions in the trading book which are subject to phase out as prescribed in CRR (i.e. CRR residual amounts) as attributed risk-weighted assets are calculated on a portfolio basis.

<sup>11</sup> Calculated as the CET 1 capital less any CET 1 items used to meet Tier 1 and Total capital requirements.

<sup>a</sup> Common shares, additional paid-in capital and common shares in treasury reflect regulatory eligible CET 1 capital instruments.

<sup>b</sup> The position retained earnings in the regulatory balance sheet includes net income (loss) attributable to Deutsche Bank shareholders and additional equity components of € 232 million as of June 30, 2016 (2015: € (6,794) million). This item is excluded from the position retained earnings in the transitional template for regulatory capital and shown separately along with accrual for AT1 coupons of € 56 million as of June 30, 2016 (2015: € 231 million) in the position independently reviewed interim profits net of any foreseeable charge or dividend.

<sup>c</sup> Difference to regulatory balance sheet position driven by prudential filters for unrealized gains and losses.

<sup>d</sup> Phase-out of noncontrolling interests at a rate of 40 % in 2016 (60 % in 2015).

<sup>e</sup> Regulatory applicable amount is goodwill and other intangible assets of € 8,697 million as of June 30, 2016 (2015: € 8,748 million) plus goodwill from equity method investments of € 71 million as of June 30, 2016 (2015: € 28 million) as per regulatory balance sheet reduced by deferred tax liabilities on other intangibles of € 427 million as of June 30, 2016 (2015: € 336 million). Total CET 1 deduction amount is phased-in at a rate of 60 % in 2016 (2015: 40 %). Residual amount is deducted from AT1 capital.

<sup>f</sup> Differences to balance sheet position mainly driven by adjustments as set out in Article 38 (2) to (5) CRR (e.g. regulatory offsetting requirements).

<sup>g</sup> Phase-in at a rate of 60 % in 2016 (40 % in 2015).

<sup>h</sup> Hua Xia Bank Company Limited as major part of the position equity method investments and the major part of significant holdings of the CET 1 instruments of financial sector entities, subject to threshold deductions. CET 1 deduction amount is phased-in at a rate of 60 % in 2016. Residual amount is deducted from AT1 and T2 capital.

<sup>i</sup> Additional equity components reflects regulatory eligible AT1 capital instruments.

<sup>j</sup> Difference to regulatory balance sheet driven by regulatory adjustments as set out in Articles 51 to 61 CRR (e.g. current cap on AT1 instruments subject to phase-out arrangements).

<sup>k</sup> Difference to regulatory balance sheet driven by regulatory adjustments as set out in Articles 62 to 71 CRR (e.g. maturity deduction, noncontrolling interests).

## Development of Risk-weighted Assets

The RWA according to CRR/CRD 4 were € 402.7 billion as of June 30, 2016, compared with € 397.4 billion at the end of 2015. The overall increase of € 5.3 billion largely reflects an increase in operational risk RWA of € 6.4 billion and credit risk RWA of € 6.3 billion partly offset by reductions in market risk RWA and RWA for CVA. Operational Risk RWA are up due to reasonably possible litigation losses as well as an increased operational risk loss profile of the banking industry. Credit Risk RWA are € 6.3 billion higher predominantly driven net growth in our core businesses and methodology changes partly offset by FX movements. The lower RWA for market risk are largely attributable to decreases coming from the market risk standardized approach for securitization positions and to lower multiplier. The € 2.4 billion reduction in RWA for CVA is predominantly driven by model and policy changes as well as lower risk level.

RWA according to CRR/CRD 4 fully-loaded were € 402.2 billion as of June 30, 2016 compared with € 396.7 billion at the end of 2015. The increase was driven by the same movements as outlined for transitional rules. The fully-loaded risk-weighted assets were € 0.5 billion lower than the risk-weighted assets under the transitional rules due to lower risk-weighted assets to equal terms from our deferred tax assets that arise from temporary differences and from our significant holdings of CET 1 instruments of financial sector entities, which are both subject to the threshold exemptions as outlined in Article 48 CRR. .

The table below provide an overview of RWA broken down by model approach and business division. They include the aggregated effects of the segmental reallocation of infrastructure related positions, if applicable, as well as reallocations between the segments.

Within credit risk, the line item "Other" in advanced IRBA reflects RWA from securitization positions in the banking book, specific equity positions and other non-credit obligation assets. Within the Standardized Approach, the majority of the line item "Other" includes RWA from our pension fund assets with the remainder being RWAs from banking book securitizations as well as exposures assigned to the further exposure classes apart from central governments or central banks, institutions, corporates and retail.

## Risk-weighted Assets by Model Approach and Business Division

Jun 30, 2016

in € m.	Global Markets	Corporate & Investment Banking	Private, Wealth and Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
<b>Credit Risk</b>	<b>65,797</b>	<b>68,367</b>	<b>41,279</b>	<b>8,489</b>	<b>38,206</b>	<b>10,243</b>	<b>15,926</b>	<b>248,308</b>
Segmental reallocation	6	3	3	1	0	0	(13)	0
Advanced IRBA	57,904	63,114	37,129	5,713	31,132	7,062	14,627	216,682
Central Govern- ments								
and Central Banks	2,850	920	26	1	11	0	10,883	14,692
Institutions	9,890	3,432	120	30	1,266	206	740	15,685
Corporates	35,846	53,289	8,214	249	8,536	2,745	1,204	110,083
Retail	144	31	21,682	0	18,810	497	0	41,165
Other	9,173	5,443	7,088	5,433	2,508	3,613	1,799	35,057
Foundation IRBA	2,013	190	2	0	4,025	0	0	6,231
Central Govern- ments								
and Central Banks	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	18	0	0	18
Corporates	2,013	190	2	0	3,125	0	0	5,331
Retail	0	0	0	0	0	0	0	0
Other	0	0	0	0	882	0	0	882
Standardized Ap- proach	5,211	5,059	4,145	2,775	2,944	3,180	1,312	24,627
Central Govern- ments								
or Central Banks	13	18	3	0	56	0	0	91
Institutions	609	8	18	5	39	1	4	685
Corporates	1,784	3,445	849	605	723	679	859	8,944
Retail	2	225	2,537	0	1,551	156	0	4,471
Other	2,803	1,362	739	2,165	575	2,343	449	10,436
Risk exposure amount for default funds con- tributions	662	1	0	0	106	0	0	769
<b>Settlement Risk</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b>Credit Valuation Adjust- ment (CVA)</b>	<b>9,899</b>	<b>22</b>	<b>65</b>	<b>124</b>	<b>470</b>	<b>2,925</b>	<b>11</b>	<b>13,516</b>
Internal Model Ap- proach	9,882	22	44	124	458	2,891	4	13,424
Standardized Ap- proach	17	0	21	0	12	34	7	92
<b>Market Risk</b>	<b>32,496</b>	<b>753</b>	<b>0</b>	<b>4</b>	<b>102</b>	<b>11,060</b>	<b>77</b>	<b>44,491</b>
Internal Model Ap- proach	28,884	589	0	(752)	0	6,698	77	35,496
Standardized Ap- proach	3,612	163	0	755	102	4,362	0	8,995
<b>Operational Risk</b>	<b>60,637</b>	<b>14,656</b>	<b>8,079</b>	<b>3,817</b>	<b>6,070</b>	<b>3,087</b>	<b>0</b>	<b>96,345</b>
Advanced measure- ment approach	60,637	14,656	8,079	3,817	6,070	3,087	0	96,345
<b>Total</b>	<b>168,845</b>	<b>83,797</b>	<b>49,423</b>	<b>12,434</b>	<b>44,849</b>	<b>27,315</b>	<b>16,015</b>	<b>402,677</b>

	Dec 31, 2015							
in € m.	Global Markets	Corporate & Investment Banking	Private, Wealth and Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
<b>Credit Risk</b>	<b>61,132</b>	<b>70,748</b>	<b>41,310</b>	<b>8,194</b>	<b>37,553</b>	<b>11,558</b>	<b>11,524</b>	<b>242,019</b>
Segmental reallocation	(93)	2,016	1,133	272	5	71	(3,404)	0
Advanced IRBA	53,512	63,054	36,009	6,243	30,177	7,424	13,805	210,223
Central Govern-ments and Central Banks	3,569	993	26	1	13	6	10,013	14,619
Institutions	7,744	3,948	111	78	1,293	342	633	14,149
Corporates	32,853	53,313	7,661	277	7,701	2,620	1,034	105,459
Retail	176	39	20,877	0	18,234	655	0	39,980
Other	9,170	4,761	7,334	5,888	2,937	3,801	2,125	36,016
Foundation IRBA	2,082	175	1	0	3,075	0	0	5,333
Central Govern-ments and Central Banks	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	5	0	0	5
Corporates	2,082	175	1	0	3,070	0	0	5,329
Retail	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Standardized Ap-proach	4,812	5,501	4,167	1,679	4,186	4,063	1,123	25,530
Central Govern-ments or Central Banks	14	30	3	0	144	0	10	202
Institutions	538	34	14	1	81	2	0	671
Corporates	2,268	3,713	946	715	918	736	587	9,884
Retail	6	239	2,499	0	1,763	512	0	5,018
Other	1,985	1,485	705	962	1,279	2,813	525	9,755
Risk exposure amount for default funds con-tributions	820	2	0	0	111	0	0	933
<b>Settlement Risk</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>
<b>Credit Valuation Adjust-ment (CVA)</b>	<b>11,971</b>	<b>8</b>	<b>74</b>	<b>309</b>	<b>391</b>	<b>3,082</b>	<b>41</b>	<b>15,877</b>
Internal Model Ap-proach	11,949	8	55	307	378	3,081	2	15,780
Standardized Ap-proach	22	0	19	2	14	1	40	97
<b>Market Risk</b>	<b>32,502</b>	<b>1,191</b>	<b>6</b>	<b>1,262</b>	<b>32</b>	<b>14,286</b>	<b>275</b>	<b>49,553</b>
Internal Model Ap-proach	27,643	1,032	6	367	0	8,741	275	38,063
Standardized Ap-proach	4,860	159	0	895	32	5,545	0	11,491
<b>Operational Risk</b>	<b>54,777</b>	<b>14,165</b>	<b>8,518</b>	<b>2,739</b>	<b>5,266</b>	<b>3,972</b>	<b>487</b>	<b>89,923</b>
Advanced measure-ment approach	54,777	14,165	8,518	2,739	5,266	3,972	487	89,923
<b>Total</b>	<b>160,391</b>	<b>86,112</b>	<b>49,909</b>	<b>12,504</b>	<b>43,242</b>	<b>32,898</b>	<b>12,326</b>	<b>397,382</b>

## Leverage Ratio

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

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

The CRR/CRD 4 framework introduced a non-risk based leverage ratio that is intended to act as a supplementary measure to the risk based capital requirements. Its objectives are to constrain the build-up of leverage in the banking sector, helping avoid destabilizing deleveraging processes which can damage the broader financial system and the economy, and to reinforce the risk based requirements with a simple, non-risk based “backstop” measure.

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

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

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

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

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

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

In order to harmonize the disclosure of the leverage ratio and its components, Article 451(2) of the CRR contains a mandate for the European Banking Authority (EBA) to develop draft implementing technical standards (ITS) based on the Basel Committee publication of the framework and disclosure requirements for the Basel 3 leverage ratio. On June 15, 2015 the EBA published its final draft ITS on disclosure and supervisory reporting of leverage ratio for EU institutions.

The following tables show the leverage ratio exposure and the leverage ratio, both on a fully loaded basis, on the disclosure tables of the ITS:

#### Summary reconciliation of accounting assets and leverage ratio exposures

in € bn.

(unless stated otherwise)

	Jun 30, 2016	Dec 31, 2015
<b>Total assets as per published financial statements</b>	<b>1,803</b>	<b>1,629</b>
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	8	3
(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	N/M	N/M
Adjustments for derivative financial instruments	(379)	(264)
Adjustment for securities financing transactions (SFTs)	35	25
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	102	109
(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	N/M	N/M
(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	N/M	N/M
Other adjustments	(155)	(107)
<b>Leverage ratio total exposure measure</b>	<b>1,415</b>	<b>1,395</b>

N/M – Not meaningful

**Leverage ratio common disclosure**

in € bn.

(unless stated otherwise)

	Jun 30, 2016	Dec 31, 2015
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	953	924
(Asset amounts deducted in determining Tier 1 capital)	(16)	(17)
<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)</b>	<b>936</b>	<b>907</b>
<b>Derivative exposures</b>		
Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	64	59
Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	165	174
Exposure determined under Original Exposure Method	N/M	N/M
Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(51)	(40)
(Exempted CCP leg of client-cleared trade exposures)	(9)	(8)
Adjusted effective notional amount of written credit derivatives	738	668
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(714)	(637)
<b>Total derivatives exposures</b>	<b>193</b>	<b>215</b>
<b>SFT exposures</b>		
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	195	183
(Netted amounts of cash payables and cash receivables of gross SFT assets)	(37)	(35)
Counterparty credit risk exposure for SFT assets	26	16
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	N/M	N/M
Agent transaction exposures	0	0
(Exempted CCP leg of client-cleared SFT exposure)	0	0
<b>Total securities financing transaction exposures</b>	<b>183</b>	<b>164</b>
<b>Other off-balance sheet exposures</b>		
Off-balance sheet exposures at gross notional amount	273	278
(Adjustments for conversion to credit equivalent amounts)	(171)	(169)
<b>Other off-balance sheet exposures</b>	<b>102</b>	<b>109</b>
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	N/M	N/M
(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	N/M	N/M
<b>Capital and total exposure measure</b>		
Tier 1 capital fully loaded	48.1	48.7
Leverage ratio total exposure measure	1,415	1,395
Leverage ratio in % (CRR/CRD 4 fully loaded Leverage Ratio - using a CRR/CRD 4 fully loaded definition of Tier 1 capital)	3.4	3.5

N/M – Not meaningful

#### Breakdown of on-balance sheet exposures (excluding derivatives and SFTs)

in € bn.

(unless stated otherwise)

	Jun 30, 2016	Dec 31, 2015
<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures)</b>	<b>901</b>	<b>884</b>
of which:		
Trading book exposures	193	211
Banking book exposures	708	673
of which:		
Covered bonds	3	3
Exposures treated as sovereigns	217	186
Exposures to regional governments, MDB, international organizations and PSE not treated as sovereigns	2	4
Institutions	18	11
Secured by mortgages of immovable properties	163	163
Retail exposures	35	36
Corporate	184	175
Exposures in default	11	7
Other exposures (e.g. equity, securitizations, and other non-credit obligation assets)	74	87

## Description of the process used to manage the risk of excessive leverage

As described in the section “Risk Management Principles” of our Annual Report 2015, the Group Risk Committee (GRC) is mandated to oversee and control integrated planning and to monitor our risk profile and capital capacity. We actively manage leverage exposure limits

- to allocate group leverage exposure capacity to businesses,
- to support business achievement of strategic performance plans,
- to provide a firm basis for achieving the target leverage ratio,
- to incentivize businesses to make appropriate choices at the margin based on a group-wide benchmark, and
- to maintain risk discipline.

In the case of limit excess the respective business is charged. The limit excess charges are calculated in accordance with the Group-wide limit-setting framework for leverage.

For further details please also refer to the “Capital Management” section in our Financial Report.



## Description of the factors that had an impact on the leverage ratio in the first half 2016

As of June 30, 2016, our fully loaded CRR/CRD 4 leverage ratio was 3.4 % compared to 3.5 % as of December 31, 2015, taking into account as of June 30, 2016 a fully loaded Tier 1 capital of € 48.1 billion over an applicable exposure measure of € 1,415 billion (€ 48.7 billion and € 1,395 billion as of December 31, 2015, respectively).

In the first half 2016 our leverage ratio exposure increased by € 19 billion to € 1,415 billion. This reflects an increase of € 29 billion in other assets, principally from higher cash, central bank and interbank balances on our balance sheet from Liquidity management activities partly offset by a reduction in business trading inventory. In addition, SFT exposures grew by € 20 billion reflecting the increase on the balance sheet for securities purchased under resale agreements, securities borrowed and receivables from prime brokerage as well as higher add-ons for counterparty credit risk. This is offset by a decrease in derivatives exposures of € 22 billion primarily related to lower add-ons for potential future exposure and effective notional of written credit derivatives after offsetting and a reduction in off-balance sheet exposure of € 7 billion corresponding to lower notional for irrevocable lending commitments and contingent liabilities.

The increase of the leverage ratio exposure in the first half 2016 includes foreign exchange impacts of € (13) billion mainly due to the appreciation of the euro against the U.S. dollar and the pound sterling.

Our leverage ratio calculated as the ratio of total assets under IFRS to total equity under IFRS was 27 as of June 30, 2016 compared to 24 as of December 31, 2015.

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

# Credit Risk Exposure

## Credit Risk: Regulatory Assessment

This section provides details on our exposure at default (EAD) and RWA by regulatory defined exposure classes and model approaches, including our securitization positions. The tables presented for the current reporting and comparison period are based on the CRR/CRD 4 framework. Quantitative information presented follows the regulatory scope of consolidation.

We generally apply the advanced internal rating based approach (IRBA) for the majority of our advanced IRBA eligible credit portfolios to calculate the regulatory capital requirements according to the CRR/CRD 4 framework, based on respective approvals received from the BaFin. The advanced IRBA is the most sophisticated approach available under the regulatory framework for credit risk allowing us to make use of our internal rating methodologies as well as internal estimates of specific other risk parameters. Moreover, we apply the foundation IRBA for a Project Finance related portfolio and a portion of Postbank's IRBA eligible credit portfolios, for which Postbank received the respective BaFin approvals in recent years.

We have always met the regulatory minimum requirements with regard to the respective coverage ratio thresholds as calculated by EAD and RWA according to Section 11 SolvV. Nevertheless, because institutions are urged to apply the advanced IRBA as comprehensively as possible, we continue our efforts to further enhance our respective coverage ratio. For a few remaining advanced IRBA eligible portfolios temporarily assigned to the standardized approach, an implementation plan and approval schedule have been set up and agreed with the competent authorities, BaFin, Bundesbank and ECB.

The BaFin approvals obtained as a result of the advanced IRBA audit processes for our counterparty credit exposures excluding Postbank allow the usage of 68 internally developed rating systems for regulatory capital calculation purposes. Postbank's approvals were obtained from the BaFin as a result of its IRBA audit processes for the counterparty credit exposures and allow the usage of 14 internally developed rating systems for regulatory capital calculation purposes.

## Credit Risk Exposure by Model Approaches and Business Divisions

The following table provides an overview of our credit risk exposure broken down by model approaches and business divisions.

The line item “Other” in Advanced IRBA reflects EAD from securitization positions in the banking book, specific equity positions and other non-credit obligation assets. Within the Standardized Approach, the line item “central governments and central banks” includes exposures to regional governments or local authorities, public sector entities, multilateral developments banks and international organizations. “Other” in the Standardized Approach includes EAD from exposures secured by mortgages on immovable property, exposures in default, items associated with particularly high risk, covered bonds, claims on institutions and corporates with a short-term credit assessment, collective investments undertakings (CIU), equity positions (grandfathered), securitization positions in the banking book and other items.

### EAD according to the model approaches applied to our credit risk portfolios

Jun 30, 2016

in € m.	Global Markets	Corporate & Investment Banking	Private, Wealth and Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
<b>Credit Risk</b>								
Advanced IRBA	233,362	229,217	190,355	2,755	109,182	10,806	20,303	795,981
Central governments and central banks	21,942	61,347	9,594	66	1,118	5	16,246	110,319
Institutions	38,453	11,653	1,219	416	8,498	347	1,379	61,964
Corporates	140,795	118,309	59,702	525	15,215	6,733	1,276	342,555
Retail	1,027	112	115,888	0	82,599	850	1	200,476
Other	31,146	37,796	3,952	1,748	1,752	2,872	1,401	80,666
Foundation IRBA	2,397	236	3	0	9,869	1	0	12,505
Central governments and central banks	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	70	0	0	70
Corporates	2,397	236	3	0	8,078	1	0	10,714
Retail	0	0	0	0	0	0	0	0
Other	0	0	0	0	1,721	0	0	1,721
Standardized Approach	96,316	46,864	16,933	3,004	27,900	3,630	5,381	200,027
Central governments or central banks	58,067	40,190	10,931	207	22,480	311	2,012	134,199
Institutions	30,159	67	55	27	1,191	57	438	31,995
Corporates	4,539	4,098	1,059	605	807	809	859	12,777
Retail	3	373	3,683	0	2,076	208	0	6,344
Other	3,547	2,136	1,204	2,165	1,345	2,246	2,071	14,713
Risk exposure amount for default funds contributions	660	1	0	0	63	1	0	725
<b>Total</b>	<b>332,734</b>	<b>276,318</b>	<b>207,291</b>	<b>5,759</b>	<b>147,015</b>	<b>14,437</b>	<b>25,684</b>	<b>1,009,239</b>

	Dec 31, 2015							
in € m.	Global Markets	Corporate & Investment Banking	Private, Wealth and Commercial Clients	Deutsche Asset Management	Postbank	Non-Core Operations Unit	Consolidation & Adjustments and Other	Total
<b>Credit Risk</b>								
Advanced IRBA	239,005	190,576	185,156	3,112	107,254	11,702	22,841	759,647
Central governments and central banks	57,670	19,666	2,966	15	719	292	18,481	99,809
Institutions	35,807	13,107	954	499	8,793	626	1,650	61,435
Corporates	112,600	119,212	60,417	727	14,480	5,589	1,200	314,225
Retail	1,284	121	116,669	0	80,378	1,050	0	199,502
Other	31,644	38,470	4,151	1,871	2,884	4,146	1,510	84,676
Foundation IRBA	2,531	223	2	0	7,964	1	0	10,720
Central governments and central banks	0	0	0	0	0	0	0	0
Institutions	0	0	0	0	2	0	0	2
Corporates	2,531	223	2	0	7,962	1	0	10,718
Retail	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
Standardized Approach	73,997	14,242	6,467	1,960	28,826	6,647	44,533	176,673
Central governments or central banks	40,243	7,126	674	245	20,078	2,321	43,345	114,032
Institutions	25,393	204	39	4	2,372	11	2	28,026
Corporates	5,314	4,120	1,185	749	923	873	587	13,751
Retail	7	395	3,420	0	2,359	683	0	6,864
Other	3,040	2,397	1,149	962	3,093	2,759	598	13,999
Risk exposure amount for default funds contri- butions	485	1	0	0	56	1	0	543
<b>Total</b>	<b>316,017</b>	<b>205,042</b>	<b>191,626</b>	<b>5,072</b>	<b>144,100</b>	<b>18,351</b>	<b>67,374</b>	<b>947,582</b>

The overall increase in EAD levels in the first half of 2016 is mainly driven by net growth in our Core business partly offset by reductions from foreign exchange movements.

The movements in EAD in the exposure class “central governments and central banks” as well as the material shifts especially in the Core business mainly resulted from higher positions in different instruments with central banks and to high extend also due to their reallocation between business divisions.

The movements in EAD in the exposure class “corporates” within the Advanced Approach mainly resulted from higher positions in security financing transactions.

## Market Risk Exposures

For detailed information with regard to market risk measures' results please refer to section "Market Risk" in our quarterly Financial Report as of June 30, 2016. For a description of our Market Risk's quantification and measurement approaches, please refer to section "Market Risk Measurement" in our Financial Report as of December 31, 2015.

## Operational Risk

In the first six months of 2016 our operational risk losses continued to be predominantly driven by legal operational risk losses and legal provisions which represent the majority of our operational risk. Since legal losses account for more than 90 % of operational risk losses, legal risks account for the majority of operational risk regulatory and economic capital demand. For a description of our current legal and regulatory proceedings, please see section “Current Individual Proceedings” of this Interim Report. Our non-legal operational risk losses were higher compared to the first six months of 2015. The outlook for the rest of year remains cautious, due to the legal and regulatory environment that we believe will continue to affect our business.

Our operational risk management fosters a forward-looking risk management with regard to monitoring of potential profits and losses, focusing on regular review of legal risks/contingencies, trend analysis based upon available losses and key risk indicator data.

This is particularly reflected in the management and measurement of our legal risks where the bank relies both on information from internal as well as external data sources to consider developments in legal matters that affect DB specifically but also the banking industry as a whole. Reflecting the multi-year nature of legal proceedings the measurement of our legal risks furthermore takes into account changing levels of certainty by capturing the legal risks at various stages throughout the lifecycle of a legal matter.

Conceptually the bank measures operational risk including legal risk by determining the maximum loss that will not be exceeded with a given probability. This maximum loss amount includes a component that due to the IFRS criteria is reflected in our financial statements and a component that is expressed as regulatory or economic capital demand that is not reflected as provisions within our financial statements.

- The legal losses which the bank expects with a likelihood of more than 50 % are already reflected in our IFRS group financial statements. These losses include net changes in provisions for existing and new cases in a specific period where the loss is deemed probable and is reliably measurable in accordance with IAS 37. The development of our legal provisions for civil litigations and regulatory enforcement is outlined in detail in our financial statements and in the accompanying note “Provisions”.
- The legal losses which are not reflected in our financial statements as provisions as they do not meet the recognition criteria under IAS 37 are expressed as “regulatory or economic capital demand” reflecting our legal risk exposure which consumes regulatory and economic capital. We measure and quantify our regulatory and economic capital demand for operational risks including legal risks with our AMA model. The AMA model calculates this loss component at a confidence level of 99.9 % for regulatory capital demand and 99.98 % for economic capital demand, respectively.

To quantify the litigation losses in the AMA model the bank takes into account historic losses, provisions, contingent liabilities and legal forecasts. Legal forecasts are generally comprised of ranges of potential losses from legal matters that are not deemed probable but are reasonably possible. Reasonably possible losses may result from ongoing and new legal matters which are reviewed at least quarterly by the attorneys handling the legal matters.

In a proactive implementation of a model change request made to the German supervisory authority BaFin in 2014, we include the legal forecasts in the “Relevant Loss Data” set feeding our AMA model. Hereby the projection range of the legal forecasts is not restricted to the one year capital time horizon but goes beyond and conservatively assumes early settlement of the underlying losses in the reporting period - thus considering the multi-year nature of legal matters. This proactive recognition led to an increase in the capital requirement over the model that has previously been approved by the BaFin.

## Operational Risk Exposure

In the first six months of 2016 our operational risk losses continued to be predominantly driven by legal operational risk losses and legal provisions which represent the majority of our operational risk. For a description of our current legal and regulatory proceedings, please see section “Current Individual Proceedings” of the 2016 Q2 Interim Report. Our non-legal operational risk losses were higher compared to the first six months of 2015.

## Liquidity Risk Exposure

For detailed information with regard to liquidity risk results please refer to section “Liquidity Risk” in our quarterly Financial Report as of June 30, 2016.



