Deutsche Bank

Remuneration Report 2011

Information and Disclosure on Compensation according to German Regulation
Instituts-Vergütungsverordnung (InstitutsVergV)

Passion to Perform

Introduction

2011 once again proved to be a year in which the compensation regulatory environment developed and moved apace throughout the financial services industry. The speed, depth and complexity of regulatory reform continued to vary globally as regulators either implemented new regulations or completed their first full year of assessment under their new rules. Cognisant of the global variations, Deutsche Bank (“the Bank”) made a conscious decision to ensure 2011 was a year of proactively engaging with all the Bank’s main regulators, seeking positive and constructive solutions and, where necessary, making further refinements to compensation policies, procedures and governance. Overarching and driving this progress was the Bank’s desire to further strengthen its commitment to remaining at the forefront of regulatory developments and best practice.

The Bank continues to adhere to the regulations of its home regulator, the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) on a global basis. The German Instituts-Vergütungsverordnung (InstitutsVergV) regulations were introduced in October 2010 and the Bank was duly in compliance with the regulations in respect of financial year 2010. For the financial year 2011 the Bank has taken the decision to make a number of changes to the existing compensation policies and structures. These steps have by and large been taken on a voluntary basis and in many instances go beyond the strict requirements of the InstitutsVergV regulations or the European Capital Requirement Directive (CRD) III.

Regulator Interaction

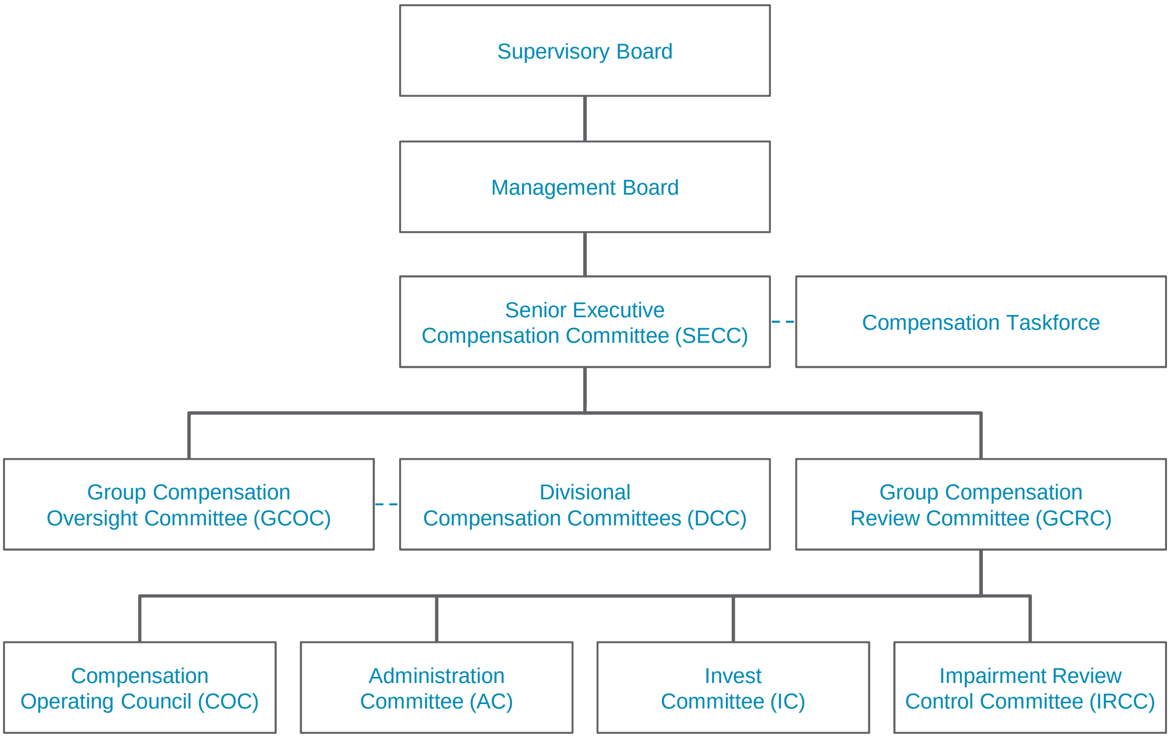
During the course of 2011, a number of meetings have been held or correspondence entered into with a large number of the Bank’s regulators, encompassing all continents globally. The intention in each case has been to openly discuss the Bank’s compensation philosophy, structures and policies and how these align with the local regulations and regulatory practice. The discussions have been productive and in many cases set a footing for ongoing communication which is welcomed both by the Bank and regulators in question. Many of the local regulator requirements are aligned with the InstitutsVergV regulations. Where variations are apparent, however, the pro-active and open communication with regulators have enabled the Bank to follow the local regulations whilst ensuring any impacted employees or locations remain within the Bank's global compensation framework. This includes, for example, the identification of “Covered Employees” in the USA under the requirements of the Federal Reserve Board.

The Bank also brought a remuneration policy presentation onto the agenda for the first time at the annual Supervisory Colleges hosted for the Bank’s regulators during the first half of 2011. An overview of remuneration policy and procedures was presented to regulators from over 30 countries which is testament to the increased focus on compensation in the industry and the Bank’s commitment to openly discussing and developing existing practices. The Bank was pleased to see this pro-active approach vindicated by the FSB in their 2011 Thematic Review on Compensation published in October 2011. The FSB makes a clear recommendation for remuneration to be included on the agenda of supervisory colleges.

Compensation Governance

The Bank operates a Global Reward Governance Structure, which monitors the Bank's compliance with the global regulatory requirements. The Reward Governance Structure is led by the Senior Executive Compensation Committee (SECC) who oversee all compensation related decisions. The SECC is supported by its two delegated bodies; the Global Compensation Review Committee (GCRC) and the Global Compensation Oversight Committee (GCOC) who in turn are supported by further sub-committees. The main responsibilities of these Committees are detailed in the 2010 Remuneration Report.

Global Reward Governance Structure



The Bank made several additions and enhancements to the compensation governance structure during the course of 2011. In order to further strengthen and balance the composition of the SECC, the COO of the Risk Division was added as a full voting member of the Committee; joining the existing members from the HR and Finance divisions. Whilst this decision was the most discernable enhancement, it facilitated a number of other operational improvements and a greater overall level of involvement by the Bank's Risk division as a whole in the decision making regarding compensation policy, governance and other compensation related issues.

All members of the SECC continue to be representatives from the Bank's independent control functions and it is co-chaired by the Chief Financial Officer and the Chief Operating Officer of the Bank, both of whom are members of the Bank's Management Board.

Enhancements were also made to the GCOC's power and remit to ensure greater governance over the decisions taken by the Divisional Compensation Committees (DCC). Formal documented input from the Bank's control functions into DCC decisions is now mandatory across the Bank as is the use of a performance "scorecard" to ensure the full range of qualitative and quantitative factors are considered in relation to compensation decisions.

The Compensation Taskforce and Impairment Review Control Committee were also newly formed during 2011 and beginning of 2012 and will play a crucial role going forward to ensure the Bank remains at the forefront of regulatory developments and practice. Further details in relation to these bodies are set out in the Report.

General Structure of Total Compensation

Total compensation is made up of fixed (salary and any applicable allowances) and variable pay (discretionary incentive awards). The Bank's total compensation philosophy is applied on a group-wide basis and is intended to ensure the right balance and focus exists between each form of compensation. Intrinsic to this is the principle that variable awards should only be used as a tool to appropriately incentivise employees and in turn reward strong performance. Individual incentive compensation allocations are generally discretionary and determined in accordance with the Bank's performance, the applicable division's performance and the employee's performance.

The Bank operates a group-wide deferral matrix in order to determine the percentage of any variable award that is deferred. The level at which awards are first subject to deferral has been reduced from the 2010 threshold. This decision has been taken with due consideration of the regulatory environment and a desire to ensure the number of senior employees who have a portion of their compensation aligned to the long term performance of the Bank remains broadly aligned with 2010, despite the smaller overall amount of variable compensation awarded group-wide. Furthermore, the Bank has taken the decision to impose a threshold above which 100% of an employee's discretionary incentive award is deferred. This step ensures that for the Bank's most senior employees, a larger percentage of variable compensation than ever before is aligned to their own future performance, as well as that of the Bank and their respective division, and is also tied to shareholder interest given the equity component.

The 2011 matrix determines that for those employees who received a discretionary incentive award in excess of € 50,000 a portion is delivered in the form of a long term incentive award under the DB Equity Plan (Restricted Equity Award 'REA') and the DB Restricted Incentive Plan (Restricted Incentive Award 'RIA'). The deferred awards are split between these two vehicles with 50% of the award granted as restricted equity and 50% as a restricted incentive (cash) award. In accordance with the matrix, deferral rates began at 70% of total variable compensation for amounts in excess of € 50,000 and increased up to 100% for the highest earning employees.

Identification of Regulated Employees

In accordance with the InstitutsVergV regulations, the Bank has re-examined the global employee population for FY 2011 in order to identify all employees whose work is deemed to have a major influence on the Bank's overall risk profile (hereafter referred to as "Regulated Employees"). Given the importance of this process the SECC determined that a Compensation Taskforce should be formed with a remit which included developing and refining the methodology for identifying Regulated Employees and advising the SECC in this regard. The Compensation Taskforce is comprised of senior employees from the Bank's HR, Risk and Finance divisions.

The identification methodology incorporated both qualitative metrics and quantitative risk analysis based on the usage of economic capital and Value at Risk (VaR) levels across individual business units. The first stage of the process identified the following employee populations:

— Management Board, Group Executive Committee, Regional Management and Geschäftsführer of significant Group Subsidiaries
— Senior Management responsible for day to day management of Front Office businesses
— Staff responsible for independent control functions
— Employees with high EC or VaR usage

Discussions with regulators during the year have indicated that a greater focus should be given to the operations of the Bank's Corporate Banking and Securities (CB&S) Division on the basis that it consumes the highest amount of the Bank's economic capital and is therefore deemed to carry the most financial risk. On this basis the Bank has taken the decision this year to include all Managing Directors in the Corporate Banking & Securities Division as Regulated Employees who were not already identified based on the above identification criteria.

Furthermore, in accordance with the InstitutsVergV regulations an additional overlay process was undertaken to identify all similarly remunerated employees who again were not already identified based on one of the above identification criteria.

On a global basis, 1,363 employees were identified as Regulated Employees. This represents a very significant increase on the FY 2010 number which was 168 and is reflective of the Bank's commitment to the InstitutsVergV regulations and the evolution of the regulatory environment.

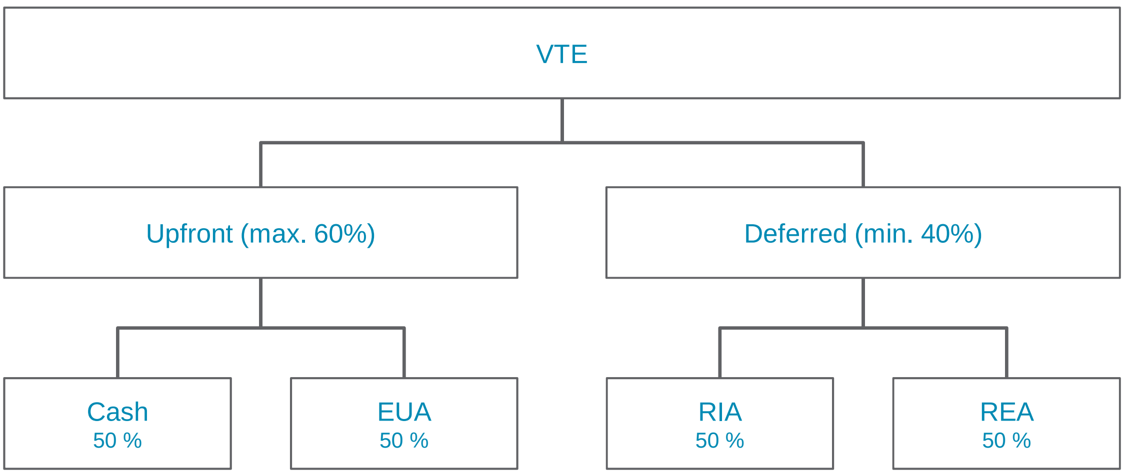
Compensation Structures for Regulated Employees

Regulated Employees are subject to the same matrix as the general employee population in order to determine the percentage of their variable award that is deferred. All Regulated Employees are subject to a minimum of 40% deferral as required under the InstitutsVergV regulations, however in practice, many are subject to deferral rates of 80% and higher. The highest earning Regulated Employees and by association, typically the most senior employees in the bank, are subject to deferral rates in excess of 90%.

All Regulated Employees receive 50% of their deferred variable remuneration in the form of equity (REA) and 50% in restricted cash (RIA). The deferred equity award is subject to a minimum three year vesting period during which time performance and behavioural forfeiture provisions apply (for more details see below). Upon the vesting of each tranche, a further minimum six month retention period applies during which time employees are not permitted to sell the shares. The remaining 50% of the deferred award in cash is subject to a minimum three year vesting period during which time, performance and behavioural forfeiture provisions apply.

In accordance with Section 5 InstitutsVergV regulations, 50% of the upfront award (the remaining portion after the deferred percentage is calculated) is also awarded in equity (an Equity Upfront Award ‘EUA’). At award, the equity is subject to a minimum six month retention period during which time the shares cannot be sold. As a result of 50% of the upfront award being delivered in equity, Regulated Employees receive a maximum of 30% of their total discretionary variable compensation in upfront cash. In practice, for Regulated Employees with deferral rates in excess of 80 or 90%, this equates to an upfront cash payment of approximately 5%-10% or less of the overall value of their award.

Compensation Structure for Regulated Employees



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

Ex-post risk adjustment measures for Regulated Employees

The Bank continues to support the use of clawback provisions for deferred compensation awards to ensure the ultimate value of compensation awarded to employees is reflective of the Bank’s performance and the performance of the individual themselves and their respective division.

The 2011 variable compensation awards to Regulated Employees include the following clawback provisions:

Group clawback

This clawback utilises positive Group NIBT (Net Income Before Income Taxes) as a performance condition for vesting in the full value of the Restricted Equity Award (REA) and Restricted Incentive Award (RIA) granted for 2011. The performance condition is met only if Group NIBT is zero or greater. If Group NIBT is negative for any year during the three year vesting period the performance condition will not be met and 100% of the REA and RIA tranches due to vest in respect of that year will be forfeited.

Divisional clawback

This clawback utilises positive Divisional NIBT as a performance condition for vesting in the full value of the REA and RIA granted for 2011. The performance condition is met for individual employees only if their respective Divisional NIBT is zero or greater. If NIBT is negative for any Division during any year of the three year vesting period, the performance condition will not be met and 100% of the REA and RIA tranches due to vest in respect of that year will be forfeited by all employees in the applicable Division.

The Divisional clawback measure does not apply to Regulated Employees working in Infrastructure divisions on the basis that they are not revenue generating.

Performance Forfeiture clawback

This clawback puts an employee’s RIA at risk into the future and allows Deutsche Bank to determine whether adjustments may be necessary based on actual outcomes. Up to 100% of an employee’s unvested RIA award can be clawed back in the event that the Bank discovers that the original award value was inappropriate because a performance measure is later deemed to be materially inaccurate or if a deal, trade or transaction considered to be attributable to the employee has a significant adverse effect on a DB Company, Division or the DB Group.

Policy/Regulatory Breach clawback

All of the Bank’s long-term compensation plans contain a behavioural clawback, which includes provisions providing for the forfeiture of all unvested and unpaid compensation if an employee is terminated for misconduct, including but not limited to, dishonesty, fraud, misrepresentation or breach of trust. An award may also be clawed back for an internal policy or procedure breach or breach of any applicable laws or regulations imposed other than by the Bank. Specific tranches of an award may also be forfeited where it is determined that a policy breach has occurred, however the disciplinary sanctions fall short of termination for Cause.

Each of the above clawbacks were applied to the 2010 variable compensation awards granted to Regulated Employees. For 2011 awards, however, the Bank has extended the Group and Divisional clawbacks such that either clawback may now trigger the forfeiture of both the RIA and REA tranches. As such, if the Group NIBT is negative in a particular year, all Regulated Employees will forfeit both REA and RIA tranches in respect of that year. If a Division’s NIBT is negative then all Regulated Employees from the Division will forfeit both the RIA and REA tranches. In addition to the enhancements made in respect of clawbacks for deferred awards, the Bank has determined that the EUA will be subject to the Policy/Regulatory Breach clawback during the retention period and will also carry a service requirement until the delivery date. Both of these provisions represent enhancements to the 2010 EUA clawback provisions.

Performance Forfeiture Governance

The Bank is mindful that the implementation of performance adjustment and clawback measures is just one step in the overall governance process. It is equally important that formal measures are taken to ensure the policies are monitored closely by appropriately qualified and experienced members of the Bank's independent control functions who have the authority to take appropriate action where required. The NIBT conditions are explicit and quantitative in nature and therefore are formally determined based on Bank-wide and divisional results following the end of each financial year.

The Performance Forfeiture clawback is more subjective in nature and, given its expansion to a far larger population of employees, it is essential that it is effectively governed. To ensure this, the Bank has established an independent control body, the Impairment Review Control Committee (IRCC). The Committee is empowered in this role by the SECC and membership includes representatives from the Bank's Risk, Legal and HR Divisions, in addition to the Chief Financial Officers aligned to each revenue earning Division. This committee will be responsible for reviewing potential forfeiture cases, including reviewing all financial and risk evidence, and reaching forfeiture decisions.

Throughout the course of a year, the Bank incurs numerous profit and loss transactions in the normal course of operations. Risk and Finance will be responsible for independently identifying to the IRCC which items are outside the Bank's normal operations. Other control functions, and the Divisions themselves, will also be required to self-report to the IRCC in instances where they believe that losses or one-off costs require formal investigation. The IRCC will meet quarterly to assess the relevant cases in a timely manner to ensure that forfeitures are communicated in the appropriate time span. If cases require adjudication outside of the quarterly cycle, the committee will meet as necessary. Cases brought to the IRCC for review, especially those raised by the Divisions themselves, may also involve aspects of behaviour that could trigger the Bank's Policy/Regulatory Breach clawback (and vice versa). For this reason the IRCC will work closely with the Deferred Compensation Forfeiture Panels globally to ensure a thorough review of both the financial and behavioural aspects of all potential forfeiture cases.

Clawback Overview and Governnance

Review Cycle Upon Incident	Annual		Quarterly	Upon Incident
Type of Clawback	Group Performance (Group NIBT)	Divisional Performance (Divisional NIBT)	Performance Forfeiture	Policy Regulatory Breach
Administered by	Finance/Risk	Finance/Risk	Finance/Risk	HR
Decided by	Management Board (based on financials)	Management Board (based on financials)	Impairment Review Control Committee	Deferred Compensation Forfeiture Panels
Review Body			GCRC	GCRC

Compensation structures for all other staff (Non-Regulated Employees)

For a number of years the Bank has chosen to defer a portion of variable compensation awards for all employees meeting a specific variable compensation threshold (detailed above). The deferral instruments used are the same as for Regulated Employees (with the exception of the retention periods applied following the vesting of deferred equity awards and the granting of Equity Upfront Awards).

All employees with deferred awards have historically had the Policy/Regulatory Breach clawback applied to the award. Although not obliged to under the regulations, for 2011 awards the Bank has voluntarily chosen to also apply the Performance Forfeiture clawback to all RIA awards. This step ensures that the Bank's most senior and highest paid employees outside of the Regulated Employee population also have a portion of their compensation linked to an ongoing performance review process.

In addition to the specific provisions described above, a number of other provisions included in the Plan Rules facilitate the automatic forfeiture of deferred awards for all employees (including Regulated Employees). These include but are not limited to:

— Voluntary termination of employment
— Termination for cause
— Solicitation of customers, clients or DB Group Employees
— Disclosure or usage of proprietary information
— Provision of similar, related or competitive services to other financial services companies following retirement, career retirement or public service retirement

Compensation Disclosure

All numbers in this Section of the Report include the Management Board and the Group Executive Committee (GEC). More detailed information on the remuneration for the Management Board can be found in the 2011 Financial Report. The Total Group Compensation & Benefits (C&B) expense decreased from €12.7 billion in 2010 to €11.5 billion in 2011 (down 9%). Postbank effects or numbers are not included in this section.

Compensation Disclosure pursuant to Section 7 InstitutsVergV

The Deutsche Bank Group 2011 discretionary incentive awards (which exclude charges for prior year deferrals but include current year awards vesting in the future) were €3.5 billion in total (down 17% from 2010). The Group-wide deferral ratio was 59%, up from 49% in 2010.

				2011	2010
in € m.	CIB	PCAM	Other[1]	Group Total	change in %
Total Remuneration	6,045.4	3,025.7	339.9	9,411.0	(7.6)%
thereof Fixed Remuneration	3,320.4	2,403.4	171.7	5,895.5	(0.3)%
thereof Variable Remuneration	2,725.0	622.3	168.3	3,515.6	(17.6)%
# of employees	39,930	39,851	2,058	81,839	0.2%

All figures include the allocation of Infrastructure related remuneration and FTEs according to the Bank´s established cost allocation key.
[1] The increase in # of employees from FY 2010 is due to internal restructuring

Compensation Disclosure pursuant to Section 8 InstitutsVergV for Regulated Employees

The Bank has developed and refined a structured and comprehensive approach in order to identify Regulated Employees in accordance with the InstitutsVergV requirements (see “Identification of Regulated Employees” above). Based on this approach, the number of Regulated Employees identified globally across all Divisions in respect of the 2011 financial year was 1,363 (up from 168 in 2010). The disclosure in the Geschäftsleiter column below comprises Members of the Management Board and Global Executive Committee (GEC) as well as Executive Members of selected DB Group entities which have been identified as “significant institutions” per Section 1 InstitutsVergV.

The details of the compensation elements for Regulated Employees are compiled in the table below.

					2011
in € m.	CIB	PCAM	Geschäftsleiter (Significant Institutions)	Other	Group Total
Total Remuneration	1,678.7	88.0	110.5	63.8	1,941.0
# of employees	1,250	50	38	25	1,363
thereof Fixed Remuneration	391.6	16.0	21.0	8.8	437.4
thereof Variable Remuneration	1,287.1	72.0	89.6	55.0	1,503.7
Variable Remuneration	1,287.1	72.0	89.6	55.0	1,503.7
thereof Deferred Awards	1,085.6	63.0	82.9	50.4	1,281.9
thereof Deferred Equity	542.8	31.5	41.5	25.2	641.0
thereof Upfront Awards	201.4	9.0	6.6	4.7	221.7
thereof Upfront Equity[1]	92.4	4.5	3.3	2.0	102.2
thereof Awards subject to clawback	1,178.1	67.5	86.3	52.4	1,384.2
thereof Awards subject to sustained performance metrics	1,085.6	63.0	82.9	50.4	1,281.9
Sign On payments[2,3]	90.7	–	–	–	93.8
# of beneficiaries	54	–	–	–	57
Termination payments[4]	–	–	–	–	13.2
# of beneficiaries	–	–	–	–	8

All figures relating to Total Remuneration and Variable remuneration include the allocation of Infrastructure related remuneration and FTEs according to the Bank´s established cost allocation key. The table contains marginal rounding differences.

1 Upfront Equity portion of Upfront Awards may be less than 50% due to the impact of local legal requirements and tax legislation
2 Including guarantees
3 Sign On payments have been disclosed collectively for the Group with the exception of CIB in order to safeguard employee confidentiality due to the low number of recipients.
4 Termination settlements have been disclosed collectively for the Group in order to safeguard employee confidentiality due to the low number of recipients.

The Bank is mindful that any payments to employees on the termination of their employment are made with the sole intention of recognising their sustained contribution to the success of the Bank and dedicated service over a period of time. Of the total value of termination settlements published above, the largest single payment made was €4.5 million.

All of the Deferred Awards and the EUA are subject to the Bank's future performance. The Deferred Awards are also subject to Group and Divisional risk-adjusted NIBT performance metrics as described in the Report. Where a performance condition is not met or an employee is found to be guilty of a policy or regulatory breach, Deferred Awards and EUAs will be clawed back by the Bank. During the course of 2011 Awards belonging to Regulated Employees to the value of €35.1 million were subject to clawback by the Bank.

Frankfurt, March 2012

Deutsche Bank AG

2012

April 26, 2012
Interim Report as of March 31, 2011

May 31, 2012
Annual General Meeting in the Festhalle
Frankfurt am Main (Exhibition Center)

June 1, 2012
Dividend payment

July 31, 2012
Interim Report as of June 30, 2012

October 30, 2012
Interim Report as of September 30, 2012

2013

January 31, 2013
Preliminary results for the 2012 financial year

March 21, 2013
Annual Report 2012 and Form 20-F

April 30, 2013
Interim Report as of March 31, 2013

May 23, 2013
Annual General Meeting in the Festhalle
Frankfurt am Main (Exhibition Center)

May 24, 2013
Dividend payment

July 30, 2013
Interim Report as of June 30, 2013

October 29, 2013
Interim Report as of September 30, 2013