Deutsche Bank Europe GmbH

Frankfurt am Main

Annual Financial Statements and Management Report 2013

(incl. Auditor's Report)

Non-binding translation

Deutsche Bank Europe GmbH, Frankfurt am Main

Non-binding translation

Balance Sheet as of 31 Dezember 2013

Assets

		31/12/2013 €	31/12/2012 €
1.	**Receivables from banks**	**69,544,154.57**	**95,637,583.60**
	a) payable on demand	69,444,154.57	95,537,583.60
	b) other receivables	100,000.00	100,000.00
2.	**Receivables from customers**	**17,397.74**	**15,500.92**
	thereof:		
	secured by mortgages	0.00	0.00
	loans to or guaranteed by public-sector entities	0.00	0.00
3.	**Other assets**	**2,746,334.42**	**593,266.71**
4.	**Deferred tax assets**	**168,930.49**	**206,897.19**
		72,476,817.22	**96,453,248.42**

Liabilities

		31/12/2013 €	31/12/2012 €
1.	**Liabilities to banks**	**9,382,517.27**	**1,051,572.78**
	a) payable on demand	9,282,517.27	951,572.78
	b) with fixed term or agreed notice period	100,000.00	100,000.00
2.	**Liabilities to customers**	**22,480.78**	**30,010.81**
	a) other liabilities		
	aa) payable on demand	2,384.68	970.31
	ab) with fixed term or agreed notice period	20,096.10	29,040.50
3.	**Other liabilities**	**88,431.27**	**30,835.24**
4.	**Provisions**	**101,509.71**	**282,005.05**
	a) other provisions	101,509.71	282,005.05
5.	**Capital and reserves**	**62,881,878.19**	**95,058,824.54**
	a) subscribed capital	6,020,000.00	6,020,000.00
	b) capital reserve	56,780,919.93	56,780,919.93
	c) distributable profit	80,958.26	32,257,904.61
		72,476,817.22	**96,453,248.42**

Deutsche Bank Europe GmbH
Frankfurt am Main, 28 February 2014

Original German version signed by: Nikolaus von Tippelskirch Carmen Herbstritt Jörg Klauke Frank Rückbrodt

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Income Statement of Deutsche Bank Europe GmbH, Frankfurt am Main
for the period from 1 January to 31 December 2013

Expenses

	01.01. - 31.12.2013 €	01.01. - 31.12.2012 €
1. Interest expenses	**761.00**	**110,945,190.57**
2. Commission expenses	**1,486.30**	**5,448,803.99**
3. Administrative expenses	**366,068.64**	**96,252,366.97**
a) staff expenses	0.00	40,829,134.77
aa) wages and salaries	0.00	29,019,768.11
ab) compulsory social security contributions and expenses for pensions and other employee benefits	0.00	11,809,366.66
thereof: for pensions: € 0,00 (previous year: € 7.300.195,93)		
b) other administrative expenses	366,068.64	55,423,232.20
4. Depreciation, amortization and write-downs of and value adjustment to tangible and intangible assets	**0.00**	**2,593,792.84**
5. Other operating expenses	**0.00**	**4,028,692.52**
6. Write-downs of and value adjustments to claims and certain securities as well as additions to provisions for loan losses	**27.89**	**1,882,319.82**
7. Income taxes	**37,966.70**	**2,498,852.82**
8. Net income	**80,958.26**	**14,284,425.59**
	487,268.79	**237,934,445.12**

Income

	01.01. - 31.12.2013 €	01.01. - 31.12.2012 €
1. Interest income from	**964.84**	**178,180,697.36**
a) lending and money market business	964.84	178,053,548.67
b) fixed-income securities and government-inscribed debt	0.00	127,148.69
2. Current income from	**0.00**	**8,882.43**
a) equity shares and other variable-yield securities	0.00	8,804.14
b) participating interests	0.00	0.00
c) investments in affiliated companies	0.00	78.29
3. Commission income	**395,000.00**	**56,420,336.18**
4. Income from reversals of write-downs of loans and advances and certain securities, and from reversals of loan loss provisions	**0.00**	**33,244.42**
5. Income from the reversal of write-downs on investments, interests in affiliated companies and securities treated as fixed assets	**0.00**	**254,735.45**
6. Other operating income	**91,303.95**	**3,036,549.28**
	487,268.79	**237,934,445.12**

	€	€
1. Net income	**80,958.26**	**14,284,425.59**
2. Profit carryforward from the previous year	**0.00**	**17,973,479.02**
3. Distributable profit	**80,958.26**	**32,257,904.61**

Deutsche Bank Europe GmbH
Frankfurt am Main, 28 February 2014

Original German version signed by: Nikolaus von Tippelskirch Carmen Herbstritt Jörg Klauke Frank Rückbrodt

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Notes for the financial year 2013

Deutsche Bank Europe GmbH,
Frankfurt am Main

A. Comments and legal principles

The company was founded as Projektgesellschaft DB Europe mbH on 18 February 2010 and registered under HRB 87506 in Commercial Register B at the District Court of Frankfurt am Main on 24 February 2010. On 18 October 2010, the German Federal Financial Supervisory Authority (BaFin), Bonn, granted DB Europe GmbH the requested license pursuant to § 32 (1) KWG of the German Banking Act to perform banking transactions and financial services. The amendment of the Company Agreement with regard to section 1 (Company) and section 2 (Object of the Enterprise) was approved at the shareholders' meeting held on 25 October 2010. The changes were entered in the Commercial Register of the District Court of Frankfurt am Main on 29 October 2010. Since then, the company operates under the name Deutsche Bank Europe GmbH (hereinafter "DB Europe" or the "Company").

The **annual financial statement** of DB Europe GmbH, Frankfurt am Main, has been prepared in accordance with the regulations of the German Commercial Code (in particular, §§ 340 ff. HGB) in conjunction with the German Accounting Ordinance for Banks and Financial Service Institutions(RechKredV) and in accordance with the appropriate standards of the law on limited liability companies (GmbHG).

B. General information on the accounting, valuation and recording methods used

When **valuing** the assets and liabilities recorded in the financial statement, the general valuation principles (§§ 252 ff. HGB) and also the special valuation principles of § 340e HGB that apply to banks were complied with. The offset options for certain expenses and income provided pursuant to § 340f HGB were not used.

Receivables from banks and customers are reported at their nominal amount or at amortized costs. Necessary impairments are deducted. Other assets are recorded at nominal value.

Provisioning for loan losses comprises impairments and provisions for all identifiable credit and country risks, for inherent default risks and the provision for general banking risks. The inherent default risk is taken into account by general value allowance according to commercial law principles.

Liabilities to banks, **liabilities to** customers and **other liabilities** are recognized at their settlement amount.

Other provisions for uncertain liabilities or for onerous contracts (excluding trading activities) are recognized at their expected settlement amount applying the principles of prudent commercial judgment. Provisions for uncertain liabilities are discounted if the related cash outflows are not expected to arise within twelve months after the balance sheet date.

Deferred tax assets and **deferred tax liabilities** on temporary differences between the accounting and tax base for assets, liabilities and accruals are offset against each other and presented net on the balance sheet as either deferred tax assets or deferred tax liabilities. In determining deferred tax assets unused tax losses are taken into account, but only to the extent that they can be utilized within the following five years.

The **currency conversion** follows the principles of § 256a and 340h HGB. Assets denominated in foreign currency and treated as fixed assets, but not separately covered in the same currency, are shown at historical cost unless the change in the foreign currency rate is other than temporary so that the assets have to be written down. Other foreign currency denominated assets (EUR 810,112.06) and liabilities (EUR 810,112.06) and outstanding cash deals are translated at the mid spot rate at the balance sheet date, and forward exchange deals at the forward rate at the balance sheet date. The results from currency translation are recognized in the income statement.

For the assessment whether a net loss is probable in respect of interest-earning and interest-bearing positions within the banking book DB Europe applies an income statement based method. As the discounted net interest income derived from closed interest-related positions is positive a provision for imminent losses is not recognized as of the balance sheet date. There were no open interest related positions

C. Notes on individual items of the balance sheet and the profit and loss statement

I. Balance sheet as of 31 December 2013

1. Assets

The **receivables from banks** include bank deposits payable on demand of EUR 69,444,154.57 (prior year EUR 95,537,583.60) and also other receivables of EUR 100,000.00 (prior year EUR 100,000.00), including accrued interest. The receivables from banks only relate to receivables from Deutsche Bank AG, Frankfurt am Main.

The **receivables from customer** of EUR 17,397.74 (prior year EUR 15,500.92), including accrued interest, are private customer loans relating to customers in Germany. No provision formed pursuant to § 340f HGB is included as of the balance sheet date (prior year EUR 0.00).

Other assets of EUR 2,746,334.42 (prior year EUR 593,266.71) consists mainly of tax claims of the former branch in Budapest (Hungary) in the amount of EUR 584,912.88 (prior year EUR 593,266.71) and receivables related to the pre-payment of the contribution to the banking association 2013 in the amount of EUR 2,132,204.54 (prior year EUR 0.00).

The **deferred tax assets** of EUR 168,930.49 (prior year EUR 206,897.19) are calculated on the basis of tax loss carry forwards and the loss utilization expected within the next five years. The deferred tax is calculated on the basis of the combined income tax rate of DB Europe GmbH, currently 31.93%. The combined income tax rate includes corporation tax, trade tax and solidarity surcharge.

2. Liabilities

Liabilities to banks include liabilities payable on demand of EUR 9,282,517.27 (prior year EUR 951,572.78) and term deposits of EUR 100,000.00 (prior year 100,000.00) including accrued interest.

The **liabilities to customers** are deposits of EUR 2,384.68 payable on demand (prior year EUR 970.31) and term deposits (term < 1 year) of EUR 20,096.10 (prior year EUR 29,040.50), including accrued interest.

On the balance sheet date, the **other liabilities** include unpaid invoices and commissions relating to the operating business of EUR 88,431.27 (prior year EUR 30,835.24).

Other provisions are related to expenses for business operation of EUR 101,509.71 (prior year EUR 282,005.05).

The subscribed **capital** of EUR 6,020,000.00 (prior year EUR 6,020,000.00) is fully paid in and is held exclusively by Deutsche Bank AG, Frankfurt am Main. The company's capital reserve amounts to EUR 56,780,919.93 as in the prior year. The distributable profit amounts to EUR 80,958.26 (prior year EUR 32,257,904.61).

3. Balance sheet notes

There were no **contingent liabilities** as of reporting date 31 December 2013 (prior year EUR 0.00).

There were no **other obligations** as of reporting date 31 December 2013 (prior year EUR 0.00).

Non-binding translation

4. Maturity Structure

Other receivables from banks	**31.12.2013**	**31.12.2012**
	EUR	EUR
with a residual period of		
up to three months	0,00	0,00
more than three months and up to one year	100,000.00	100,000.00
more than one year and up to five years	0.00	0.00
more than five years	0.00	0.00
Total	**100.000,00**	**100.000,00**

Receivables from customers[1]	**31.12.2013**	**31.12.2012**
	EUR	EUR
with a residual period of		
up to three months	6,426.66	10,506.61
more than three months and up to one year	10,971.08	4,994.31
more than one year and up to five years	0.00	0.00
more than five years	0.00	0.00
Total	**17,397.74**	**15,500.92**

[1] without HGB 340f reserves

Liabilities to banks	**31.12.2013**	**31.12.2012**
with fixed term or agreed notice period	EUR	EUR
with a residual period of		
up to three months	0.00	0.00
more than three months and up to one year	100,000.00	100,000.00
more than one year and up to five years	0.00	0.00
more than five years	0.00	0.00
Total	**100,000.00**	**100,000.00**

Liabilities to customers	**31.12.2013**	**31.12.2012**
with fixed term or agreed notice period	EUR	EUR
with a residual period of		
up to three months	5,096.10	10,040.50
more than three months and up to one year	15,000.00	19,000.00
more than one year and up to five years	0.00	0.00
more than five years	0.00	0.00
Total	**20,096.10**	**29,040.50**

5. Breakdown of the receivables and liabilities relating to affiliated companies

Receivables and liabilities relating to affiliated companies are included in the following balance sheet items:

	31.12.2013 EUR	31.12.2012 EUR
Receivables from banks		
a) payable on demand	69,444,154.57	95,537,583.60
b) other receivables	100,000.00	100,000.00
Liabilities to banks		
a) payable on demand	9,282,517.27	951,572.78
b) with fixed term or agreed notice period	100,000.00	100,000.00

II. Income statement for the period from 1 January to 31 December 2013

The income statement of the prior financial year was characterized by the cross-border merger of the former Deutsche Bank subsidiary, IFN Finance B.V., and the spin-off during the year of the business of the branches in Belgium and the Netherlands to Deutsche Bank AG, Frankfurt am Main.
Therefore, these figures are not directly comparable with the income statement for the reporting period.

All revenues recognized in the income statement of DB Europe for the financial year 2013 have been generated in Germany.

The **administrative expenses** relate to costs of the business operation in the reporting period.

Other operating expenses did not occur in the financial year 2013 (prior year EUR 4,028,692.52).

Other operating income of EUR 91,303.95 (prior year EUR 3,036,549.28) mainly relates to income from the release of provisions.

Income taxes amount to EUR 37,966.70 (prior year EUR 2,498,852.82).

D. Other information

I. Contingent liabilities and other obligations

On the balance sheet date, no contingencies or other financial obligations pursuant to § 34 (2) No. 2 RechKredV existed.

II. Information on affiliated companies

Deutsche Bank AG, Frankfurt am Main is the sole **shareholder** of DB Europe GmbH. DB Europe GmbH is an affiliated company according to § 271 (2) HGB.

As of 31 December 2013 DB Europe GmbH, as a **subsidiary bank,** is included in the exempting consolidated financial statement according to § 291 (2) HGB of Deutsche Bank AG, Frankfurt am Main. This was prepared for the reporting period in accordance with the International Financial Reporting Standards (IFRS) and can be obtained from Deutsche Bank AG, Frankfurt am Main. With regard to the information on the accounting, valuation and consolidation methods, which differ from German law, used in the exempting consolidated financial statement, we refer to the Appendix to the Management Report of Deutsche Bank AG, Frankfurt am Main. Documents subject to disclosure are published in the electronic Federal Gazette (Bundesanzeiger).

III. Further information

The disclosure according to § 285 (1) (17) HGB regarding total fees charged by the principal auditor has not been provided, because the corresponding information is included in the consolidated financial statement of Deutsche Bank AG.

E. Members of the executive bodies and information on the officers

Members of the Board:

Carmen Herbstritt
Managing Director, Deutsche Bank AG
Bad Vilbel

Joerg Klauke
Director, Deutsche Bank AG
Bad Soden am Taunus

Frank Rückbrodt
Managing Director, Deutsche Bank AG
Frankfurt am Main

Nikolaus von Tippelskirch
Chairman
Managing Director, Deutsche Bank AG
Kronberg a.Ts.

Members of the Supervisory Board:

Stefan Krause
Chairman
Member of the Board of Deutsche Bank AG
Frankfurt am Main

Dr. Christian Ricken
Deputy Chairman
Managing Director, Deutsche Bank AG
Bad Homburg

Stefan Bender
Managing Director, Deutsche Bank AG
Bad Vilbel

Dr. Mathias Otto
Managing Director, Deutsche Bank AG
Liederbach am Taunus

Expenses for officers and loans to officers:

In the financial year 2013, no remunerations were paid either to members of the Board of Directors or to members of the Supervisory Board. No loans or advance payments were made to members of the Board of Directors and of the Supervisory Board in the reporting period. On the balance sheet date, loans to officers pursuant to § 15 (1) (10) KWG existed of EUR 100,000.00 (prior year EUR 100,000.00).

F. Average number of employees in the year

In the financial year 2013 DB Europe had no employees (average in the prior year was 265 employees).

G. Proposal for the appropriation of profit

It is proposed to fully pay out the net income for 2013 of EUR 80,958.26 (prior year EUR 14,284,425.59) to the shareholder.

Frankfurt am Main, 28 February 2014

Deutsche Bank Europe GmbH

The Board

[Original German version signed by:]

Nikolaus von Tippelskirch (Chairman)	Carmen Herbstritt	Jörg Klauke	Frank Rückbrodt

Non-binding translation

Management Report 2013

of

Deutsche Bank Europe GmbH
Frankfurt am Main

A. Economic environment

Growth of the global economy, having already slowed slightly in 2012 to 3.0 %, continued to decline in 2013 to an estimated 2.8 % on an annualized basis.
The slowdown affected industrialized and emerging market countries. Economic output slowed from 1.4 % in 2012 to a projected 1.1 % in 2013 in industrialized countries and from 4.7 % to around 4.5 % in emerging market countries. The structural problems that contributed to the financial and economic crisis remained in focus in the industrialized countries. The reduction of private and public debt dampened growth, in particular in the eurozone. Furthermore, political uncertainties in the eurozone and the U.S. weighed on the global economy. Monetary policies of the major central banks continued to be extremely accommodative and supported the global economy. Key interest rates were at historically low levels and extensive quantitative easing measures provided additional support to the economy.

The eurozone, after six consecutive quarters of declining economic activity, experienced moderate growth in the second quarter of 2013. As an annualized average, the eurozone economy declined by 0.4 % in 2013, due to the weak winter half year 2012/2013, which was a little less than in 2012 (-0.6 %).

Germany's economy began to recover following the weak winter half year 2012/2013. This was driven by solid domestic demand, thanks to the peak employment level, solid real income growth and a moderate rise in investments. As an annualized average, the German economy grew by 0.5 %, following an increase of 0.7 % in 2012.

B. Company

Deutsche Bank Europe GmbH (DB Europe), Frankfurt am Main, is a wholly owned subsidiary of Deutsche Bank Aktiengesellschaft. Since the start of its active business operation on 5 November 2010, DB Europe has performed its own banking transactions and financial services to an extent that requires a commercially structured organization. The approved banking business and financial services include, among other things, deposit business, lending business, discount business, guarantee business, cheque collection business, underwriting and placement business, financial portfolio management, custody business, finance leasing, factoring and proprietary trading.

The business operation of DB Europe consisted in the reporting period mainly of low volume domestic banking transactions and financial services performed on the basis of a clearly defined client structure and restricted product portfolio. The company's domestic activities consist of deposit and lending business and also account management and payment transactions. The company is also active in the underwriting and placement sector.

In addition to performing banking transactions and financial services, the business purpose and strategy of DB Europe also includes setting up branches abroad and acquiring or taking up the business of other banks in other European countries, in particular those of the Deutsche Bank group. In 2013, DB Europe has not pursued such kind of activities.

In light of DB Europe's business purpose, no financial nor non-financial performance indicators exist which could be used for the management of the company.

C. Business and income position

The business situation and the financial results of the prior year was characterized by the cross-border merger of the former Deutsche Bank subsidiary IFN Finance B.V. as well as the spin-off of the business from the foreign branches in Belgium and the Netherlands to Deutsche Bank AG, Frankfurt am Main. Consequently, a comparison of the reporting period with prior year’s business situation and results is only possible to a limited extent.

All revenues recorded in the income statement of the financial year have been generated in Germany.

As of 31 December 2013, DB Europe records a balance sheet total of EUR 72.476.817,22 (prior year EUR 96,453,248.42).

Receivables from banks and customers

The receivables from banks include bank deposits payable on demand of EUR 69.444.154,57 (prior year EUR 95,537,583.60) and also other receivables of EUR 100,000.00 (prior year EUR 100,000.00), including accrued interest. The receivables from banks only relate to receivables from Deutsche Bank Aktiengesellschaft, Frankfurt am Main. The company also has receivables from customers of EUR 17,397.74 (prior year EUR 15,500.92), including accrued interest. These receivables refer solely to private and business clients in Germany.

Liabilities to banks, customers and other parties

The liabilities to banks consist of liabilities payable on demand and term deposits with a total amount of EUR 9,382,517.27 (prior year EUR 1,051,572.78), including accrued interest. The company reports, under liabilities to clients, deposits of EUR 22,480.78 (prior year EUR 30,010.81) including accrued interest. Other liabilities amounted to EUR 88,431.27 (prior year EUR 30,835.24).

Provisions

Provisions are basically comprised of other provisions of EUR 101,509.71 (prior year EUR 282,005.05). These include provisions for the annual audit fee and for business operation.

Equity

The company’s subscribed capital remains unchanged at EUR 6,020,000.00. The distributable profit of the previous financial year in the amount of EUR 32,257,904.61 was fully distributed to its shareholder. The distributable profit for the financial year of EUR 80,958.26 (prior year EUR 32,257,904.61) basically originates from commission income of EUR 395,000.00 (prior year EUR 56,420,336.18). The income was basically offset by administrative expenses of EUR 366,068.64 (prior year EUR 96,252,366.97).

Events after the balance sheet date

No events of particular importance that significantly affected the asset, financial and income position of DB Europe occurred after the balance sheet date.

D. Risk report

The aim of the overall bank management system is the sustained maximization of the income potential in the defined market environment while controlling annually pre-determined risk/income ratios and acquiring the necessary equity to achieve this.

DB Europe GmbH is exposed to credit, market, liquidity, operational, reputational and general business risks. The **identification, monitoring and management of all the risks** of DB Europe GmbH are included in the group-wide risk management framework of the Deutsche Bank Group. To monitor and manage these risks, DB Europe independently applies the appropriate instruments for quantitative variables and measuring instruments of the Deutsche Bank group. The activities of Deutsche Bank subsidiaries taken over have no effect on risk management, because these are already integrated into the group-wide framework.

The **risk-bearing capability** of DB Europe GmbH is monitored as part of the group-wide risk management system of the Deutsche Bank Group.

Portfolio-endangering risks or risks that significantly affect the asset, financial or income position are not known at the moment. Economic and legal factors are monitored continuously in connection with future existential risks.

As of 31 December 2013 the **total capital and reserves** of DB Europe GmbH amounts to EUR 62,881,878.19 (prior year EUR 95,058,824.54). This figure includes the distributable profit of the financial year of EUR 80,958.26 (prior year EUR 32,257,904.61).

As a subsidiary bank of the Deutsche Bank group, DB Europe satisfies the conditions of section 2a (1) of the German Banking Act (KWG) and makes full use of the exceptions of the **"waivers"** clause. Section 2a (1) KWG allows subsidiary banks to refrain from observing the regulations of sections 10, 13 and 13a and section 25a (1) (3) (1) KWG provided that the conditions referred to in section 2a (1) KWG are met. On this basis, DB Europe is not obliged to satisfy the regulations concerning appropriate capital adequacy, major loans or the regulations for determining and hedging the risk-bearing capacity, establishing strategies, putting in place processes for the identification, assessment, management, monitoring and notification of risks. Observance and monitoring take place at group level through Deutsche Bank AG as the ultimate parent company of the group.

The risk types described above are further explained below for the reporting period and the coming years (i.e. the forecast period 2014-2015).

- **Credit risk**

  DB Europe takes **credit risks**. As of the balance sheet date, DB Europe domestic bank had granted loans totaling EUR 129,000.00, which are made up of a loan of EUR 100,000.00 to Deutsche Bank Aktiengesellschaft, two individual loans of EUR 5,000.00 each, one individual loan of EUR 6,000.00 and also thirteen personal overdraft lines of EUR 1,000.00 each. The monitoring of the lending risks and also the link with the credit risk management system of the Deutsche Bank group is assured through the Chief Risk Officer (CRO) and through the organizational integration of the local CRM functions into DB Europe. As part of the take-up or take-over of the business operation of reputable (direct or indirect) subsidiaries of Deutsche Bank AG as a result of cross-border mergers, the credit risks of the businesses taken over will usually only be borne on a short-term basis until the planned spin-off of the operation concerned to Deutsche Bank AG by DB Europe. The risks taken over in this period are still completely subject to the regional and divisional policies and the instructions of the Deutsche Bank Group.

- **Market risk**

  DB Europe GmbH is taking no significant **market risks** at the moment. It is not affected by interest rate risks, because, on the one hand, it does not perform any trading activities for its own account, and does not plan to do so in the future, and, on the other hand, possible interest rate risks are hedged fully with Deutsche Bank AG. As part of future cross-border mergers, DB Europe GmbH will only briefly take over the market risks of the business operations concerned. Compliance with the possible maximum limits will be regularly monitored by the Deutsche Bank Group.

- **Operational risk**

  Operational risk means the risk of losses, which may occur due to the inappropriateness or failure of internal procedures, persons and systems, or as a result of external events. This definition also includes legal risks (as defined in the European Commission's Capital Requirement Directive 2006/48/EC (CRD) adopted into German law by the Solvency Regulation ("Solvabilitätsverordnung, SolvV") §269 (1) in the version of 01.01.2007).Operational risk does not include any business or reputational risks. (In accordance with the principles of risk management any strategic and / or tax risks are part of the business risk). The management of the operational risks of DB Europe is established with Deutsche Bank AG according to the partnership model. According to this model, the divisional Operational Risk Management functions and Group Operational Risk Management (ORM) share the responsibility for their management. Whereas Group ORM is responsible for the development of the framework, the divisional ORM functions are responsible for its implementation and the daily management of operational risks. The operational risks of DB Europe domestic bank are therefore covered by Global ORM PBC within the partnership model. As in previous years no relevant damage has occurred. The ORM policies of the Deutsche Bank Group continue to apply to the business transferred from the subsidiaries of Deutsche Bank AG to the foreign branches. The local ORM managers and also local operating committees are responsible for compliance with these policies.

- **Liquidity risk**

  In 2013, DB Europe had no liquidity risk as the balance sheet mainly consisted of equity which was invested on an account with DB Group payable on demand. Deposits and loans have been maturity congruent settled with DB group.

  In view of the above and considering the current business model, the **liquidity risk position** of DB Europe is reviewed in accordance with the Treasury business model on a quarterly basis.

- **Reputational and general business risks**

  No significant reputational and general business risks occurred at DB Europe in 2013.

  The biggest reputational and business risk of DB Europe in coming years is the failure of cross-border mergers and spin-off. The feasibility of the planned transactions will be investigated at an early stage by divisions of the Deutsche Bank group together with the management of DB Europe and the management teams of the other group companies concerned and also with external legal and tax advisers and detailed implementation plans will be developed for each individual transaction. The Board of DB Europe has received strong support from the competent divisions of the Deutsche Bank Group and also from external legal and tax advisers. Therefore, the business risk resulting from the planned cross-border mergers can be regarded as controllable.

E. Outlook

The forecast period of the following statement primarily covers 2014 and 2015.

On the domestic market, the taking up of additional business activities, including in the underwriting and placement business, finance portfolio management and custody business is reviewed continuously. The main aim is to expand the underwriting and placement business through greater involvement in the capital market business of Deutsche Bank AG in order to compensate for the weaker income from the existing deposit and loan products on account due to generally low interest level.

In the next few years, DB Europe is also planning to continue the acquisition or taking up of the business of other banks in other European countries that are members of the Deutsche Bank Group and to set up branches. As previously, the business of the foreign branches will also not remain with DB Europe for a long time, but will be split off to Deutsche Bank AG as soon as possible following completion of the cross-border merger.

We shall continue and further expand our close cooperation with Deutsche Bank AG and its subsidiaries. No future risks are seen in the current market environment.

Frankfurt am Main, 28 February 2014

Deutsche Bank Europe GmbH

The Board

[Original German version signed by:]

Nikolaus von Tippelskirch (Chairman)	Carmen Herbstritt
Jörg Klauke	Frank Rückbrodt

Non-binding translation

Auditors' Report

We have audited the financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Deutsche Bank Europe GmbH, Frankfurt am Main, for the financial year from 1 January to 31 December 2013. The maintenance of the books and records and the preparation of the financial statements and management report in accordance with German commercial law are the responsibility of the bank's management. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the financial statements in accordance with sec. 317 of the German Commercial Code and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Auditors [Institut der Wirtschaftsprüfer]. Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the bank and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

Non-binding translation

In our opinion based on our audit findings, the financial statements give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German commercial law and German principles of proper accounting. The management report is consistent with the financial statements and, as a whole, provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Frankfurt am Main, 28 February 2014

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Beier	Thiel
German Qualified Auditor	German Qualified Auditor