Deutsche Bank

Pillar 3 Report
as of December 31, 2023

Deutsche Bank Luxembourg S.A.

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Regulatory framework

Basis of Presentation

Article 431 (1), (2) CRR, 433 CRR and 433a CRR
This Pillar 3 Report provides disclosures for Deutsche Bank Luxembourg S.A. (the "Bank") as required by the global regulatory framework for capital and liquidity, which was established by the Basel Committee on Banking Supervision, also known as Basel 3.

In the European Union (EU), the Basel 3 framework is implemented by the amended versions of Regulation (EU) 575/2013 on prudential requirements for credit institutions (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 or CRD). As a single rulebook, the CRR is directly applicable to credit institutions and investment firms in the European Union and provides the grounds for the determination of regulatory capital requirements, regulatory own funds, leverage and liquidity as well as other relevant requirements. In addition, the CRD was implemented into Luxembourg law by means of further amendments to the Law on the Financial Sector ("LFS") and accompanying regulations. Jointly, these laws and regulations represent the regulatory framework applicable in Luxembourg. As per Article 4 (146) and (147) CRR, the Bank is classified as large subsidiary and is required to disclose a Pillar 3 Report.

The disclosure requirements are provided in Part Eight CRR. Further disclosure guidance has been provided by the European Banking Authority (EBA) in its final draft implementing technical standards on public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) 575/2013 (EBA ITS). The Bank will publish this Pillar 3 report on an annual basis in line with the frequency of disclosure provisions as per Articles 432, 433 and 433a CRR.

The Bank was not required to publish a Pillar 3 disclosure in 2021 and 2022 and so this report does not include a disclosure for the comparative annual period in 2022.

The information provided in this Pillar 3 Report is unaudited. Numbers presented throughout this document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures due to rounding.

Disclosure governance

Article 431 (3), 432 and 434 CRR
The Bank's Pillar 3 Report is in compliance with the legal and regulatory requirements described above and is prepared in accordance with the Bank's internal policies, processes, systems and internal controls as defined by DB Group's risk disclosure key operating document (KOD), to the extent applicable. In line with the KOD, a dedicated process is followed if DB Group omits certain disclosures due to the disclosures being immaterial, proprietary, or confidential.

The Bank´s Management Board approved this Pillar 3 Report for publication and affirmed that the Bank has complied with the requirements under Article 431 (3) CRR. Based upon the Bank's assessment and verification, it also believes the risk and regulatory disclosures presented throughout this Pillar 3 Report appropriately and comprehensively convey the Bank's overall risk profile as of December 31, 2023.

This Pillar 3 Report is published on the Bank's website at https://country.db.com/luxembourg/company.

Capital

Development and composition of Own Funds

Article 437 (a), (d)-(f) CRR

The Bank's total regulatory capital as of December 31, 2023, amounted to € 6.3 billion compared to € 5.4 billion at the end of December 31, 2022.

The increase of the Bank's Total Capital by € 0.9 billion was mainly driven by the issuance of a new Tier 2 instrument with a notional of € 900 million in July 2023.

The Bank's Tier 1 capital as of December 31, 2023, amounted to € 5.4 billion, consisting of a Common Equity Tier 1 (CET 1) capital of € 4.9 billion and Additional Tier 1 (AT1) capital of € 0.5 billion.

The Tier 1 capital was materially unchanged from December 31, 2022.

EU CC1 – Composition of regulatory own funds

in € m.		Dec 31, 2023	
		CRR/CRD	References[1]
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	4,015	A
	of which: Instrument type 1	4,015	A
	of which: Instrument type 2	0	
	of which: Instrument type 3	0	
2	Retained earnings	223	B
3	Accumulated other comprehensive income (and other reserves)	654	B
EU-3a	Funds for general banking risk	0	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	0	
5	Minority interests (amount allowed in consolidated CET1)	0	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	4,892	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(2)	
8	Intangible assets (net of related tax liability) (negative amount)	(19)	C
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	0	
12	Negative amounts resulting from the calculation of expected loss amounts	0	
13	Any increase in equity that results from securitized assets (negative amount)	0	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	
15	Defined-benefit pension fund assets (negative amount)	0	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	0	
17	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	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments 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)	0	
19	Direct, indirect and synthetic holdings by the institution of the CET1 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	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	0	
EU-20c	of which: securitization positions (negative amount)	0	
EU-20d	of which: free deliveries (negative amount)	0	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	0	
22	Amount exceeding the 17,65% threshold (negative amount)	0	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0	
25	of which: deferred tax assets arising from temporary differences	0	
EU-25a	Losses for the current financial year (negative amount)	0	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	0	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	0	
27a	Other regulatory adjustments	0	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(21)	
29	Common Equity Tier 1 (CET1) capital	4,871	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	500	D
31	of which: classified as equity under applicable accounting standards	0	
32	of which: classified as liabilities under applicable accounting standards	500	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	0	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	0	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	0	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	
35	of which: instruments issued by subsidiaries subject to phase out	0	
36	Additional Tier 1 (AT1) capital before regulatory adjustments	500	
	Additional Tier 1 (AT1) capital: regulatory adjustments		

in € m.		CRR/CRD	Dec 31, 2023 References[1]
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	0	
38	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	
39	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 10% threshold and net of eligible short positions) (negative amount)	0	
40	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 (net of eligible short positions) (negative amount)	0	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	0	
42a	Other regulatory adjustments to AT1 capital	0	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	0	
44	Additional Tier 1 (AT1) capital	500	
45	Tier 1 capital (T1 = CET1 + AT1)	5,371	
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	900	D
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	0	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	0	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	0	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	
49	of which: instruments issued by subsidiaries subject to phase out	0	
50	Credit risk adjustments	0	
51	Tier 2 (T2) capital before regulatory adjustments	900	
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	
53	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	
54	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)	0	
55	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	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	0	
EU-56b	Other regulatory adjustments to T2 capital	0	
57	Total regulatory adjustments to Tier 2 (T2) capital	0	
58	Tier 2 (T2) capital	900	
59	Total capital (TC = T1 + T2)	6,271	
60	Total Risk exposure amount	44,528	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	10.94%	
62	Tier 1 capital	12.06%	
63	Total capital	14.08%	
64	Institution CET1 overall capital requirements	7.69%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.69%	
67	of which: systemic risk buffer requirement	0	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	6.06%	
	National minima (if different from Basel III)	0	
	Amounts below the thresholds for deduction (before risk weighting)	0	
72	Direct and indirect holdings of own funds and eligible liabilities 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)	0	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	0	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	7	E
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	0	

in € m.		CRR/CRD	Dec 31, 2023 References[1]
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	545	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	0	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	
82	Current cap on AT1 instruments subject to phase out arrangements	0	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	
84	Current cap on T2 instruments subject to phase out arrangements	0	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	

References

[1]References provide the mapping of regulatory balance sheet items used to calculate regulatory capital as reflected in the column "References" and as presented in tables "EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements". Where applicable, more detailed information is provided in the respective reference footnote section.

[A] Common shares, additional paid-in capital and share premiums reflect regulatory eligible CET 1 capital instruments.

[B] Retained earnings of € 223 million and other reserves of € 659 million are jointly reflected in the reserves line the regulatory balance sheet. In the Own funds template (incl. RWA and capital ratios), retained earnings are shown separately.

[C] Regulatory applicable amount is other intangible assets of € 25 million included the intangible assets as per the regulatory balance sheet reduced by deferred tax liabilities of € 6million included in other liabilities in the regulatory balance sheet.

[D] AT1 and T2 instruments are included in the regulatory balance sheet including accrued and unpaid interest of € 25.6 million which is not included in own funds.

[E] Deferred tax assets are included in other assets in the regulatory balance sheet.

Reconciliation of regulatory own funds to Lux GAAP balance sheet

Article 437 (a) CRR

The table below highlights the difference in the basis accounting and prudential reporting purposes as it compares the carrying values as reported under Lux GAAP (the Bank's audited and published financial statements) with the carrying values under the measurement basis of the prudential regulatory reporting. References in the last column of the table provide the mapping of regulatory balance sheet items used to calculate regulatory capital. The reference columns presented below reconcile to the reference columns as presented in the template "EU CC1– Composition of regulatory own funds".

EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements.

	Carrying values as reported in published financial statements (Lux GAAP)	Carrying values as reported for prudential reporting purposes (FinRep)	Refer-ences
Assets			
in € m.	2023-12-31	2023-12-31	
Cash in hand, balances with central banks and post office banks	59	5,459	
Financial assets held for trading (excluding debt securities)	0	39	
Loans and advances to credit institutions	13,786	8,610	
Loans and advances to clients	17,962	16,627	
Financial assets designated at fair value through profit or loss	0	0	
Financial assets at fair value through other comprehensive income	0	1,482	
Debt securities and other fixed-income securities	5	13	
Shares in affiliated undertakings	1	1	
Tangible assets	3	17	
Intangible assets	27	30	C
Other assets	332	195	E
Prepayments and accrued income	160	0	
Total assets	32,334	32,473	

Liabilities and Equity			
in € m.	2023-12-31	2023-12-31	
Amounts owed to credit institutions	21,590	21,810	
Amounts owed to clients	3,427	3,378	
Financial liabilities held for trading	0	92	
Financial liabilities designated at fair value through profit or loss	0	5	
Other liabilities	255	385	
Accruals and deferred income	381	0	
Provisions for liabilities and charges	296	157	
Subordinated liabilities	1,400	1,426	D
Subscribed capital	3,960	3,960	A
Share premium account	56	56	A
Accumulated other comprehensive income	0	-5	B
Reserves	679	882	B
Net income	291	330	
Profit/loss carried forward	0	0	
Total liabilities and equity	32,334	32,473	

Main features of capital instruments

Article 437 (b-c) CRR

A description of the main features of the Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments issued by the Bank is published in the Bank's Annual Report which can be found on the company page of the Bank's website (https://country.db.com/luxembourg/company). The Annual Report includes a description of Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments to the extent that these do not constitute private placements and are treated confidentially.

Capital buffers

Minimum capital requirements and additional capital buffers

Article 438 (b) CRR

The Pillar 1 CET 1 minimum capital requirement applicable to the Bank is 4.50 % of RWA. The Pillar 1 total capital requirement of 8.00 % demands further resources that may be met with up to 1.50 % Additional Tier 1 capital and up to 2.00 % Tier 2 capital.

Failure to meet minimum capital requirements can result in supervisory measures such as restrictions of profit distributions or limitations on certain businesses such as lending. The Bank has complied with the minimum regulatory capital adequacy requirements in 2023.

In addition to these minimum capital requirements, the following combined capital buffer requirements were fully effective beginning 2023 onwards. These buffer requirements must be met in addition to the Pillar 1 minimum capital requirements but can be drawn down in times of economic stress.

The capital conservation buffer is implemented in Chapter 5 of the LFS, based on Article 129 CRD and equals a requirement of 2.50 % CET 1 capital of RWA in 2023 and onwards.

The countercyclical capital buffer is deployed in a jurisdiction when excess credit growth is associated with an increase in system-wide risk. It may vary between 0% and 2.50 % CET 1 capital of RWA. In exceptional cases, it could also be higher than 2.50 %. The institution-specific countercyclical buffer that applies to the Bank is the weighted average of the countercyclical capital buffers that apply in the jurisdictions where the Bank´s relevant credit exposures are located. As per December 31, 2023, the institution-specific countercyclical capital buffer was at 0.69 %.

In addition to the aforementioned buffers, national authorities, such as the CSSF, may require a systemic risk buffer to prevent and mitigate long-term non-cyclical systemic or macro-prudential risks that are not covered by the CRR. They can require an additional buffer of up to 5.00 % CET 1 capital of RWA. As of the year-end 2023, no systemic risk buffer applied to the Bank.

In accordance with Article 131 (3) of EU Directive 2013/36/EU, the Bank was classed as an Other Systemically Important Institution (O-SII) until end of 2020. This classification no longer applied from 1 January 2021.

In addition, pursuant to the Pillar 2 SREP, the ECB may impose capital requirements on individual banks which are more stringent than statutory requirements (so-called Pillar 2 requirement). As of the year-end 2023, no Pillar 2 requirement applied to the Bank.

The following table gives an overview of the different Pillar 1 and Pillar 2 minimum capital requirements as well as capital buffer requirements applicable to the Bank for 2023 and what is forecasted for 2024.

Overview total capital requirements and capital buffers

	2023	2024
Pillar 1		
Minimum CET 1 requirement	4.50%	4.50%
Combined buffer requirement	3.19%	3.19%
Capital Conservation Buffer	2.50%	2.50%
Countercyclical Buffer	0.69%	0.69%
Systemic Risk Buffer	0.00%	0.00%
Maximum of:	0.00%	0.00%
G-SII Buffer	0.00%	0.00%
O-SII Buffer	0.00%	0.00%
Pillar 2		
Pillar 2 SREP Add-on of CET 1 capital	0.00%	0.00%
of which covered by CET 1 capital	0.00%	0.00%
of which covered by Tier 1 capital	0.00%	0.00%
of which covered by Tier 2 capital	0.00%	0.00%
Total CET 1 requirement from Pillar 1 and 2	7.69%	7.69%
Total Tier 1 requirement from Pillar 1 and 2	9.19%	9.19%
Total capital requirement from Pillar 1 and 2	11.19%	11.19%

Geographical distribution of credit exposures

Article 440 (a) CRR

The following tables disclose the amount of the Bank´s countercyclical buffer as well as the geographical distribution of credit exposures relevant for its calculation in the standard format as set out in Commission Delegated Regulation (EU) 2015/1555. The geographical split table shows countries on an individual basis.

Countercyclical capital buffer rates are determined by Basel Committee member jurisdictions. Countercyclical capital buffer varies according to a percentage of risk weighted assets. The “General credit exposures” include only credit exposures to the private and corporate sector. Exposures to the public sector and to institutions are not in scope.

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

Dec 31, 2023

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	in € m.	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures -Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (in %)	Countercyclical buffer rate (in %)
010	Breakdown by country:													
1	United Arab Emirates	478	0	0	0	0	478	38	0	0	38	476	1.2	0.00
2	Austria	250	0	0	0	0	250	21	0	0	21	264	0.6	0.00
3	Australia	292	0	0	0	0	292	19	0	0	19	235	0.6	1.00
4	Belgium	778	0	0	0	0	778	51	0	0	51	641	1.6	0.00
5	Bermuda	201	0	0	0	0	201	15	0	0	15	183	0.4	0.00
6	Canada	0	0	0	0	0	0	0	0	0	0	0	0.0	0.00
7	Suisse	2,917	0	0	0	0	2,917	157	0	0	157	1,965	4.8	0.00
8	China	53	0	0	0	0	53	4	0	0	4	50	0.1	0.00
9	Cyprus	266	0	0	0	0	266	21	0	0	21	265	0.6	0.50
10	China	171	0	0	0	0	171	14	0	0	14	171	0.4	2.00
11	Germany	12,451	0	0	0	0	12,451	924	0	0	924	11,550	28.2	0.75
12	Denmark	395	0	0	0	0	395	30	0	0	30	369	0.9	2.50
13	Estonia	0	0	0	0	0	0	0	0	0	0	0	0.0	1.50
14	Spain	1,121	0	0	0	0	1,121	85	0	0	85	1,067	2.6	0.00
15	Finland	136	0	0	0	0	136	11	0	0	11	136	0.3	0.00
16	France	4,836	0	0	0	0	4,836	319	0	0	319	3,985	9.7	0.50
17	Great Britain	5,123	0	0	0	0	5,123	334	0	0	334	4,178	10.2	2.00
18	Guernsey	796	0	0	0	0	796	64	0	0	64	796	1.9	0.00
19	Gibraltar	157	0	0	0	0	157	13	0	0	13	157	0.4	0.00
20	Greece	46	0	0	0	0	46	4	0	0	4	46	0.1	0.00
21	Hong Kong	491	0	0	0	0	491	31	0	0	31	387	0.9	1.00
22	Croatia	0	0	0	0	0	0	0	0	0	0	0	0.0	1.00
23	Hungary	138	0	0	0	0	138	11	0	0	11	138	0.3	0.00
24	Ireland	290	0	0	0	0	290	23	0	0	23	290	0.7	1.00
25	Israel	8	0	0	0	0	8	1	0	0	1	8	0.0	0.00
26	Isle of Man	57	0	0	0	0	57	5	0	0	5	57	0.1	0.00
27	Italy	974	0	0	0	0	974	80	0	0	80	997	2.4	0.00
28	Jersey Islands	965	0	0	0	0	965	76	0	0	76	947	2.3	0.00
29	Japan	329	0	0	0	0	329	19	0	0	19	241	0.6	0.00
30	Kenya	0	0	0	0	0	0	0	0	0	0	0	0.0	0.00
31	Cayman Islands	380	0	0	0	0	380	30	0	0	30	380	0.9	0.00
32	Lebanon	18	0	0	0	0	18	1	0	0	1	17	0.0	0.00

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		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	in € m.	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures -Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (in %)	Counter-cyclical buffer rate (in %)
33	Liechtenstein	58	0	0	0	0	58	5	0	0	5	58	0.1	0.00
34	Luxembourg	2,738	0	0	0	0	2,738	215	0	0	215	2,693	6.6	0.50
35	Monaco	53	0	0	0	0	53	4	0	0	4	47	0.1	0.00
36	Malta	0	0	0	0	0	0	0	0	0	0	0	0.0	0.00
37	Mexico	0	0	0	0	0	0	0	0	0	0	0	0.0	0.00
38	Netherlands	3,222	0	0	0	0	3,222	216	0	0	216	2,697	6.6	1.00
39	Norway	183	0	0	0	0	183	6	0	0	6	69	0.2	2.50
40	Peru	51	0	0	0	0	51	4	0	0	4	51	0.1	0.00
41	Poland	16	0	0	0	0	16	1	0	0	1	16	0.0	0.00
42	Portugal	189	0	0	0	0	189	15	0	0	15	189	0.5	0.00
43	Qatar	214	0	0	0	0	214	17	0	0	17	210	0.5	0.00
44	Russian Federation	0	0	0	0	0	0	0	0	0	0	0	0.0	0.00
45	Saudi Arabia	755	0	0	0	0	755	60	0	0	60	755	1.8	0.00
46	Sweden	1,350	0	0	0	0	1,350	112	0	0	112	1,395	3.4	2.00
47	Singapore	354	0	0	0	0	354	27	0	0	27	343	0.8	0.00
48	Turkey	86	0	0	0	0	86	10	0	0	10	127	0.3	0.00
49	Ukraine	0	0	0	0	0	0	0	0	0	0	0	0.0	0.00
50	United States of America	2,242	0	0	0	0	2,242	157	0	0	157	1,964	4.8	0.00
51	Uzbekistan	9	0	0	0	0	9	1	0	0	1	9	0.0	0.00
52	Virgin Islands (British)	394	0	0	0	0	394	27	0	0	27	336	0.8	0.00
53	South Africa	1	0	0	0	0	1	0	0	0	0	0	0.0	0.00
020	Total	46,030	0	0	0	0	46,030	3,277	0	0	3,277	40,956	100	0.69

Institution specific countercyclical capital buffer

Article 440 (b) CRR

The following table shows an overview of the Bank´s countercyclical buffer rate and requirements.

EU CCyb2 – Amount of institution-specific countercyclical capital buffer

in € m.		Dec 31, 2023
1	Total risk exposure amount (in € m.)	44,528
2	Institution specific countercyclical capital buffer rate	0.69 %
3	Institution specific countercyclical capital buffer requirement (in € m.)	307,98

Capital requirements

Summary of the Bank's ICAAP approach

Article 438 (a) CRR (EU OVC)

The internal capital adequacy assessment process (ICAAP) consists of several elements that aim to ensure that the Bank maintains, on an ongoing basis, an adequate capitalization to cover the risks to which it is exposed.

- Risk identification and assessment: The risk identification process forms the basis of the ICAAP and results in an inventory of risks for the Bank; the process identifies risks across risk types (e.g., credit, market, operational) and incorporates input from both the first line and second Line of Defence (LoD); materiality of all identified risks is assessed, based on their severity and likelihood to materialize in stressed conditions.

  The risk identification process adopts a descriptive (as opposed to taxonomy-driven) risk approach, eliciting how identified risks could manifest themselves based on potential real-world scenarios and events; this descriptive risk approach ensures the inventory covers both normative and economic perspectives and allows contributors to focus on future developments, risk behaviour under stress, and impact of mitigating actions; the risks in the risk inventory are mapped to the DB group risk type taxonomy; the resulting inventory of risks, after review and challenge by senior management, informs key risk management processes, including the development of stress scenarios tailored to the Bank's risk profile, the Bank´s risk appetite statements, and risk profile monitoring and reporting.

- Capital demand/risk measurement: Risk measurement methodologies and models are applied to quantify the capital demand required to cover all material risks, excluding those that cannot be adequately limited by capital, e.g., liquidity risk. ICAAP differentiates between the normative and economic internal perspective, and this is reflected in the risk measurement process, which distinguishes between regulatory capital models (which form an input into the normative internal perspective) and economic capital models (which form an input into the economic internal perspective).

  Under the normative internal perspective, the Bank applies regulatory models to measure risk-weighted assets to determine the regulatory capital demand:
  - Credit risks are measured via the Standardized Approach
  - Market risks are measured by internally developed risk metrics of DB Group (as approved by the regulator) and regulatory-defined market risk approaches, namely the Value-at-Risk (VaR), Stressed Value-at-Risk (SVaR) and Incremental Risk Charge (IRC); the Market Risk Standardized Approach (MRSA) is used to determine the regulatory capital charge for the specific market risk arising on securitizations in the trading book.
  - Operational risks are measured using the Basic Indicator Approach (BIA) methodology.

  For the measurement of capital demand under the economic internal perspective, DB Group applies various internally developed capital models in line with the economic capital framework and set at a level to absorb, with a confidence level of 99.9 %, aggregate unexpected losses within a one-year time period; the economic capital model landscape covers all material risks, i.e. quantifies credit, market, operational and strategic risk; diversification and concentrations are calculated on a group-wide basis; further details on the economic capital models are provided in the following sections.

In its constant ambition to reflect economic reality and to implement efficient risk management steering, the Bank uses Group Allocated Economic Capital (GA EC) figures to comply with internal economic capital requirements. GA EC figures capture concentration and diversification effects, including the benefit from being part of Deutsche Bank AG's global integrated risk management framework. Thus, the Bank's risk profile is as close to the economic reality of its businesses as possible and represents its effective risk contribution to DB Group. DB Group has developed specific allocation mechanisms for each Risk Type according to the nature and model of the Risk Type.

- Capital supply: Capital supply quantification refers to the definition of available capital resources to absorb losses; capital supply is defined for the normative internal and for the economic internal perspectives; the capital supply definition under the normative perspective follows the regulatory requirements in the CRR/CRD, while the economic perspective follows an internal capital supply definition linked to IFRS.

- Risk appetite: Risk appetite is an expression of the level of risk that the Bank is willing to assume to achieve its strategic objectives; risk appetite plays an integral part in the business planning processes via risk strategy and plan, and promotes the appropriate alignment of risk, capital and performance targets; compliance of the plan with risk appetite and capacity is also tested under stressed market conditions; risk metrics that are sensitive to the material risks to which the Bank is exposed, and which function as indicators of financial health are assigned; in addition to that, risk and recovery management governance are linked with the risk appetite framework.

  From an ICAAP perspective, risk appetite is set for key capital adequacy metrics and thereby covers the normative (via the CET 1 ratio, total capital ratio, leverage ratio and MREL) and the economic (via the economic capital adequacy (ECA) ratio) perspective; these metrics are fully integrated across strategic planning, risk appetite framework, stress testing (except MREL), and recovery and resolution planning practices; threshold breaches are subject to a dedicated governance framework triggering management actions up to the execution of the Bank's recovery plan being integrated into Deutsche Bank AG's recovery and resolution approach; the Management Board and the Supervisory Board of the Bank reviews and approves the risk appetite and capacity on an annual basis, or more frequently in the event of unexpected changes to the risk environment, with the aim of ensuring that they are consistent with the Bank's strategy, business and regulatory environment and stakeholders' requirements.

- Capital planning: DB Group's and the Bank's capital management steers the Bank's capital stack and capital demand in the short, middle and long term, specifically via the strategic and capital plan, the rolling forecast, and the downside and countermeasures analysis process; the Bank is integrated into the holistic management of the Deutsche Bank AG's capital position looks at each of these elements, with differing focuses driven by the decision-making context.

  The integrated strategic and capital plan translates the Bank's overall risk and business objectives as well as external targets into risk, capital, liquidity, and performance targets for the Bank; the strategic plan is based on assumptions regarding the future development of regulatory requirements and supervisory practices, the banking market and revenue pools, expected client behaviour and relative strengths and capabilities to serve the clients in a competitive environment; the strategic and capital plan is built over a 5-year horizon and thoroughly reviewed on an annual basis, including changes to the macro-economic and competitive landscape as well as any other updates to key planning assumptions, e.g. to the regulatory environment; the strategic plan is finalized with the Management Board approval and thereafter sent to the Supervisory Board of the Bank.

  As actual developments might deviate from the strategic plan, the Bank regularly monitors and comments on any deviations; the granularity of each forecast is designed to cover the development of the Bank's earnings as well as balance sheet, resources and capital components; the development of capital and resources is part of the regular discussions in the Management Board and Asset and Liability Committee ("ALCo"); the forecast develops a best estimate of the base case development at the time, including all material impacts of likely events at an expected level; these assumptions contain a judgmental element and might include a range of outcomes; to address this, the Bank complements the base case with a well-established downside and countermeasure analysis framework.

- Stress testing: Capital plan figures are also considered under various stress test scenarios to prove resilience and overall viability of the Bank. Regulatory and economic capital adequacy metrics are also subject to regular stress tests throughout the year to constantly evaluate the Bank's capital position in hypothetical stress scenarios and to detect vulnerabilities; the stress testing framework comprises regular, sensitivity-based and scenario-based approaches addressing different severities and regional hotspots in alignment with DB Group; these activities are complemented by portfolio- and country-specific downside analyses as well as regulatory-driven exercises such as reverse stress tests.

- Capital adequacy assessment: In addition to the constant monitoring process that capital adequacy undergoes throughout the year, the ICAAP concludes with a dedicated annual capital adequacy assessment; the assessment consists of a Management Board statement about the Bank's capital adequacy that is linked to specific conclusions and management actions to be taken to safeguard capital adequacy on a forward-looking basis.

Credit risk economic capital model

The Bank calculates economic capital for counterparty risk, transfer risk and settlement risk as elements of credit risk. In line with the DB Group's economic capital framework, economic capital for credit risk is set at a level to absorb with a probability of 99.9 % very severe aggregate unexpected losses within one year.

DB Group's economic capital for credit risk is derived from the loss distribution of a portfolio via Monte Carlo Simulation of correlated rating migrations. The portfolio loss distribution is calculated as follows: in a first step, potential credit losses are quantified on transactional level based on available exposure and loss-given-default information, where loss-given-default is stochastic. In a second step, the probability of joint defaults is modelled stochastically in terms of risk factors representing the relevant countries and industries that the counterparties are linked to. The simulation of portfolio losses is then performed by an internally developed model, which takes rating migration and maturity effects into account. Effects due to wrong-way derivatives risk (i.e., the credit exposure of a derivative in the default case is higher than in non-default scenarios) are modelled by applying the own alpha factor when deriving the exposure at default for derivatives and securities financing transactions under the Basel 3 Internal Models Method (IMM). DB Group allocates expected losses and economic capital derived from loss distributions down to transaction level to enable management on transaction, customer, business and legal entity level.

DB Group's asset value credit portfolio model is based on the assumption that an obligor defaults when its value is no longer high enough to cover its liabilities. The obligor's asset value or "ability to pay" is modelled as a random process, the ability to pay process. An obligor is taken to default when its asset value or ability to pay falls below a given default point. Changes in the value of systematic and specific factors are simulated in terms of multivariate distributions. The weight assigned to systematic and specific components and the covariance of systematic factors are estimated using equity and rating time series or are based on standard settings for particular portfolio segments.

Modelling correlations via a factor model: A factor model describes the dynamics of a large number of random variables by making use of a reduced and fixed number of other random variables, called factors. The approach has the advantage of reducing computing time: fewer correlations need to be evaluated, and the factor correlation matrix does not change when new obligors are introduced. The parameters that specify the factor model are:

- The factor model characteristics for the different borrowers, i.e., the weights for the systematic country and industry factors (the model uses 41 systematic factors) and the R^2, which determines the weight for the specific factor.
- The covariance matrix between the country and industry factors

Modelling rating migration: The rating migration methodology requires additional information, namely yield curves and transition matrices describing the probabilities of migrating between different credit ratings.

- Migration matrix: For K non-default credit rating grades and 1 default credit rating, a migration matrix is a $(K + 1) \times (K + 1)$ matrix with entries π_{ij}. It expresses in percentage terms the probability π_{ij} that any borrower with the credit rating i moves to the credit rating j in the next time step.
- Risk-free curve: The risk-free curve required as an input for different points in time is used to derive the corresponding risk-free discount factors.

Economic capital is derived from Value-at-Risk (VaR) with confidence level $\alpha = 99.9$ %. The economic capital is allocated to individual transactions using expected shortfall allocation. Portfolio information includes exposure, loss given default, one-year default probability and maturity. The parameters are largely consistent with the best-estimate components of the parameters used for regulatory reporting, with the exception of those for derivatives exposure.

Market risk economic capital model

Economic capital for market risk measures the amount of capital needed to absorb very severe, unexpected losses arising from exposures over the period of one year. "Very severe" in this context means that the underlying economic capital is set at a level which covers, with a probability of 99.9 %, all unexpected losses over a one-year time horizon. Market Risk Economic Capital consists of the following three components:

- Traded Market Risk, capturing the risk due to valuation changes from market price movements.
- Traded Default Risk, capturing the risk due to valuation changes caused by issuer default and migration risk.
- Non-traded Market Risk, market risk arising outside of the core trading activities.

Traded market risk economic capital (TMR EC)

DB Group's traded market risk economic capital model - scaled Stressed VaR based EC (SVaR based EC) - comprises two core components, the "common risk" component covering risk drivers across all businesses and the "business-specific risk" component, which enriches the Common Risk via a suite of Business Specific Stress Tests (BSSTs). Both components are calibrated to historically observed severe market shocks.

Common risk is calculated using a scaled version of the SVaR framework. The SVaR based EC uses the Monte Carlo SVaR framework. The SVaR measure itself replicates the Value-at-Risk calculation that would be generated on the Bank's current portfolio if the relevant market factors were experiencing a period of stress. In particular, the model inputs are calibrated to historical data from a continuous 12-month period of significant financial stress relevant to the Bank's portfolio. The SVaR model is then scaled-up to cover a different liquidity horizon (up to 1 year) and confidence level (99.9%). The liquidity horizon framework that is utilized in the SVaR based EC model accounts for different levels of market liquidity as well as risk concentrations in the Bank's portfolios. In terms of coverage, the "common risk" captures outright linear and some non-linear risks (e.g., Gamma, Vega etc.) to systematic and idiosyncratic risk drivers. The model incorporates the following risk factors: interest rates, credit spreads, equity prices, foreign exchange rates, commodity prices, volatilities and correlations.

The "business-specific risk" captures more product/business-related bespoke risks (e.g., complex basis risks) as well as higher order risks (e.g., for equity options) not captured in the common risk component. The concept of business-specific risk is in particular important in areas where the lack of meaningful market data prevents direct use of the common risk model. BSSTs are in general calibrated to available historical data to obtain a stress scenario. Where appropriate, risk managers use their expert judgment to define severe market shocks, based upon the knowledge of past extreme market conditions. In addition to the BSSTs the business specific risk component of the SVaR based EC model also contains placeholders which carry an estimated EC component on a temporary basis, while efforts are being made to cover those risks with a proper business-specific stress test or integrate it in the common risk framework.

DB Group continuously assesses and refines its market risk EC model to ensure the capture of new material risks as well as the appropriateness of the shocks applied. The calculation of the Traded Market Risk EC is performed weekly on DB Group level; DB Group allocated EC is monthly reported to the Bank.

Traded default risk economic capital (TDR EC)

TDR refers to changes in the value of instruments caused by default or rating changes of the issuer. For credit derivatives like credit default swaps (CDS), the rating of the issuer of the reference asset is modelled. TDR covers the following positions:

- Fair value assets in the banking book
- Unsecuritized credit products in the trading book
- Securitized products in the trading book.

The TDR methodology is similar to the credit risk methodology. An important difference between the EC calculation for traded default risk and credit risk is the capital horizon of 6 months which is used for most TDR positions compared to 12 months used for credit risk. Recognizing traded default risk EC for unsecuritized credit products corresponds to the calculation of the incremental risk charge for the trading book for regulatory purposes. EC for TDR represents an estimate of the default and migration risks of credit products at a 99.9 % confidence level, taking into account the liquidity horizons of the respective sub-portfolios.

TDR EC captures the relevant credit exposures across its trading and fair value banking books. Trading book exposures are monitored by market risk management on DB Group level via single name concentration and portfolio thresholds which are set based upon rating, size and liquidity. Single name concentration risk thresholds are set for two key metrics: Default Exposure, i.e., the P&L impact of an instantaneous default at the current recovery rate, and bond equivalent market value, i.e., default exposure at 0 % recovery. In order to capture diversification and concentration effects DB Group performs a joint calculation for traded default risk economic capital and credit risk economic capital. Important parameters for the calculation of traded default risk are exposures, recovery rates and default probabilities as well as maturities. For trading book positions exposures, recovery rates and default probabilities are derived from market information and external ratings and for banking book positions from internal assessments analogous to the credit risk economic capital model. Rating migrations are governed by issuer type specific migration matrices, which are obtained from historical rating time series from rating agencies and internal observations. The probability of joint rating downgrades and defaults is determined by the default and rating correlations of the portfolio model. These correlations are specified through systematic factors that represent countries, geographical regions and industries.

Non-traded market risk economic capital (NTMR EC)

Non-traded market risk arises from market movements in the banking book and from off-balance sheet items driven by activities from the asset and liability management. Significant market risk factors which the Bank is exposed to and are overseen by risk management groups in that area are:

– Interest rate risk (including risk from embedded optionality and changes in behavioural patterns for relevant product types), credit spread risk and foreign exchange risk.

Non-traded market risk economic capital is being calculated either by applying the standard traded market risk EC methodology (SVaR based EC model) or through the use of non-traded market risk models that are specific to each risk class and which consider, among other factors, large historically observed market moves, the liquidity of each asset class, and changes in client's behaviour in relation to products subject to behavioural optionality. The calculation of EC for non-traded market risk is performed monthly at DB Group level and allocated to the Bank.

An independent model validation team at DB Group level reviews all quantitative aspects of our MR EC model on a regular basis. The review covers, but is not limited to, model assumptions and calibration approaches for risk parameters.

Operational risk economic capital model

For the quantification of its economic capital demands DB Group uses the Advanced Measurement Approach (AMA). To absorb very severe unexpected losses within one year, both economic and regulatory capital are calculated at a 99.9 % confidence level.

Strategic risk economic capital model

The strategic risk category captures the economic capital arising from earnings volatility risk (which also includes potential losses from software assets), tax redetermination risk, and a capital charge for the risk related to deferred tax assets on temporary differences.

The earnings volatility risk economic capital model of DB Group, formerly referred as strategic risk model, projects the earnings distribution for the next twelve months at DB Group level. Important input parameters of the model are the expected revenues and costs from the strategic plan and monthly forecasts on business unit level. This ensures that the model includes strategic decisions or changes to the business environment in a timely manner. These projections determine the mean values of the revenue and cost distributions. The volatilities of the revenue distributions are derived from historical revenue time series of the business units. Risk concentrations within and across businesses are specified by revenue drivers for individual business units. The correlations of revenue drivers, e.g., market or macroeconomic factors, are calibrated with historical time series. Revenues are then simulated together with costs to allow for a partial offset of revenue decreases by cost reductions, e.g., reduced bonus payments. Potential cost increases related to software assets are also modelled. The resulting earnings distribution for DB Group is used to derive the economic capital amount, which is held to protect against potential operating losses covering twelve months with a confidence level of 99.9 %, in line with the general economic capital definition.

Tax risk is determined by reference to corporate income tax, indirect and operational tax re-determination risk with respect to transactions undertaken by the Bank. Tax re-determination risk is the risk that the eventual tax treatment of a transaction differs from that initially determined by the Bank because of a judicial determination or a compromise by the Bank with a tax authority. Examples of tax re-determination risk include a tax ceasing to be creditable, taxable income being treated as arising, a tax deduction not being granted, a tax consolidated group not being respected, or an anti-avoidance rule being determined to apply. Tax related inputs of the process are under the direction and control of tax professionals of the Bank who are independent of business units. The calculation of tax risk economic capital is performed in a portfolio model which incorporates issues with a one-year time horizon. The notional exposure for each "tax issue" is determined and is then modified for reserves and a settlement adjustment. A probability is assigned to each "tax issue". Tax risk economic capital is computed at the 99.9% confidence level of the portfolio loss distribution, which is obtained through a Monte Carlo simulation.

The capital charge to account for the risk of deferred tax assets on temporary differences mirrors regulatory treatment and is incorporated through an economic capital placeholder.

Risk type diversification

The economic capital model for risk type diversification and aggregation is a key component of DB Group's economic capital framework. The purpose of the risk type diversification and aggregation model is to reflect the diversification effects across all risk types, resulting in the diversified economic capital at group level. The risk type diversification and aggregation

methodology are based on the specification of analytical loss distributions for individual risk types (i.e., credit, market, operational and strategic risk), which are linked via a copula function to reflect their dependence structure. Using advanced simulation techniques, an aggregate loss distribution across all risk types is calculated for the whole portfolio. Total diversified economic capital is then derived from the aggregate loss distribution at the 99.9 % quantile, i.e., to absorb aggregate unexpected losses at group level over a one-year horizon with a confidence level of 99.9 %.

Result of ICAAP

Article 438 (c) CRR (EU OVC)

The internal capital adequacy assessment process concludes that the Bank is adequately capitalized to cover its material risks and relevant regulatory requirements under the economic and normative perspective.

The Bank assesses capital adequacy from an economic perspective as the ratio of economic capital supply divided by economic capital demand. A ratio of more than 100 % indicates that the available capital is sufficient to cover the risk positions. The economic capital adequacy ratio was 1,119 % as of December 31, 2023, compared with 863 % as of December 31, 2022. The improvement in the ratio was due to a decrease in economic capital demand.

Overview of RWA and capital requirements

Article 438 (d), (h) CRR

As per Article 438 (h) and EBA ITS 2020/04, the following tables EU-CR8, EU-CCR7 and EU-MR2-B are not applicable for the Bank.

The table below shows RWA broken down by risk types and model approaches. It also shows the corresponding minimum capital requirements, which is derived by multiplying the respective RWA by an 8 % capital ratio.

EU OV1 – Overview of RWA – total risk exposure amounts

		Total risk exposure amounts (TREA)	Total own funds requirements
		a	b
in € m.		2023-12-31	2023-12-31
1	Credit risk (excluding CCR)	43,534	3,483
	of which:		
2	The standardized approach	43,534	3,483
3	The Foundation IRB (F-IRB) approach	0	0
4	Slotting approach	0	0
EU 4a	Equities under the simple risk weighted approach	0	0
5	The Advanced IRB (A-IRB) approach	0	0
6	Counterparty credit risk - CCR	29	2
	of which:		
7	The standardised approach	0	0
8	Internal model method (IMM)	0	0
EU 8a	Risk exposure to a CCP	0	0
EU 8b	Credit valuation adjustment - CVA	0	0
9	Other CCR	29	2
15	Settlement risk	0	0
16	Securitisation exposures in the non-trading book (after the cap)	0	0
	of which:		
17	SEC-IRBA approach	0	0
18	SEC-ERBA (including IAA)	0	0
19	SEC-SA approach	0	0
EU 19a	1250% / deduction	0	0
20	Market risk	0	0
	of which:		
21	Standardized approach	0	0
22	IMA	0	0
EU 22a	Large exposures	0	0
23	Operational risk	964	77
	of which:		
EU 23a	Basic indicator approach	964	77
EU 23b	Standardized approach	0	0
EU 23c	Advanced measurement approach	0	0

		Total risk exposure amounts (TREA)	Total own funds requirements
		a	b
in € m.		2023-12-31	2023-12-31
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	17	1
29	Total	44,528	3,562

As of December 31, 2023, RWA was € 44.5 billion compared to € 40.3 billion as of December 31, 2022. The increase of € 4.2 billion was primarily driven by higher RWA consumption for credit/counterparty risk and for operational risk.

The increase in credit/counterparty risk RWA by € 4.0 billion was mainly driven by the increase in loan exposure and commitments due to strong business growth throughout the year 2023. The RWA for operational risk increased by € 0.2 billion resulting from the application of the Basic Indicator Approach based on the 3-year P/L history.

Leverage ratio

Leverage ratio according to CRR/CRD framework

The non-risk-based leverage ratio 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.

A minimum leverage ratio requirement of 3 % was introduced effective starting with June 28, 2021. Starting January 1, 2023, an additional leverage ratio buffer requirement of 50 % of the applicable G-SII buffer rate applied to Deutsche Bank Group. This additional requirement equals 0.75 % for DB Group. Furthermore, the European Central Bank has set a Pillar 2 requirement for the leverage ratio for the first time; effective January 1, 2024, this requirement will be 0.10 % for DB Group.

The Bank calculates its leverage ratio exposure in accordance with Articles 429 to 429g CRR and sets its Risk Appetite through the Bank’s governance and committee structure, including the local Supervisory Board with a dedicated Risk committee, in addition the Bank’s Management Board has established a dedicated ALCo that oversees the leverage exposure limits. The Bank’s Risk Appetite is applied in conjunction with the DB Group Risk Appetite.

The total leverage ratio exposure includes derivatives, off-balance sheet exposure and other on-balance sheet exposure (excluding derivatives); the Bank had no securities financing transactions (SFTs) as of 31st December 2023.

The leverage exposure for derivatives is calculated by using a modified version of the standardized approach for counterparty credit risk (SA-CCR), comprising the current replacement cost plus a regulatory defined add-on for the potential future exposure. 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 purchased credit derivative protection on the same reference name provided certain conditions are met.

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 on-balance sheet exposures (excluding derivatives) component reflects the accounting values of the assets (excluding derivatives, and regular-way purchases and sales awaiting settlement) as well as regulatory adjustments for asset amounts deducted in determining Tier 1 capital. The exposure value of regular-way purchases and sales awaiting settlement is determined as offset between those cash receivables and cash payables where the related regular-way sales and purchases are both settlement on a delivery-versus payment basis.

The Bank manages its balance sheet at an entity level and, where applicable, at a business level, further, the Bank monitors and analyses balance sheet developments and tracks certain market observed balance sheet ratios. Based on this, the Bank triggers discussions and management action by the Asset and Liability Committee.

Article 451 (1) (a)-(c), (2) and (3) CRR

The following tables show the leverage ratio exposure and the leverage ratio. The first table EU LR1 delivers a reconciliation of accounting assets reported in the IFRS financial statements to the leverage ratio exposure. The leverage ratio common disclosure table EU LR2 presents the components of the leverage exposure, the Tier 1 Capital and the leverage ratio as well as the mean value for gross securities financing transaction (SFT) assets. Table EU LR3 provides a further breakdown of the balance sheet exposures (excluding derivatives, SFTs and exempted exposures).

EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

	in € m.	Dec 31, 2023 Applicable amount
1	Total assets as per published financial statements (LuxGAAP)	32,334
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	0
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0
7	Adjustment for eligible cash pooling transactions	
8	Adjustment for derivative financial instruments	2
9	Adjustment for securities financing transactions (SFTs)	
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	29,250
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	0
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0
12	Other adjustments	255
13	Total exposure measure	61,841

EU LR2 – LRCom: Leverage ratio common disclosure

in € m.		Dec 31, 2023 CRR leverage ratio exposures
	On-balance sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	32,577
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0
4	Adjustment for securities received under securities financing transactions that are recognised as an asset	0
5	(General credit risk adjustments to on-balance sheet items)	0
6	(Asset amounts deducted in determining Tier 1 capital)	-21
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	32,555
	Derivative exposures	
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	0
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	9
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	0
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	27
EU-9b	Exposure determined under Original Exposure Method	0
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	0
11	Adjusted effective notional amount of written credit derivatives	0
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0
13	Total derivatives exposures	36
	Securities financing transaction (SFT) exposures	
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0
16	Counterparty credit risk exposure for SFT assets	0
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0
17	Agent transaction exposures	0
EU-17a	(Exempted CCP leg of client cleared SFT exposure)	0
18	Total securities financing transaction exposures	0
	Other off-balance sheet exposures	
19	Off-balance sheet exposures at gross notional amount	53,157

in € m.		Dec 31, 2023 CRR leverage ratio exposures
20	(Adjustments for conversion to credit equivalent amounts)	-23,907
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	0
22	Off-balance sheet exposures	29,250
	Excluded exposures	
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	0
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	0
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	0
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	0
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	0
EU-22g	(Excluded excess collateral deposited at triparty agents)	0
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	0
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	0
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	0
EU-22k	(Total exempted exposures)	0
	Capital and total exposure measure	
23	Tier 1 capital	5,371
24	Total exposure measure	61,841
	Leverage ratio	
25	Leverage ratio (in %)	8.68%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans)	8.68%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.68%
26	Regulatory minimum leverage ratio requirement	3.0%
EU-26a	Additional own funds requirements to address the risk of excessive leverage	0
EU-26b	of which: to be made up of CET1 capital	0
27	Leverage ratio buffer requirement	0.0%
EU-27a	Overall leverage ratio requirement	3.0%
	Choice on transitional arrangements and relevant exposures	
EU-27b	Choice on transitional arrangements for the definition of the capital measure	0
	Disclosure of mean values	
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	0
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	0
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	61,841
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	61,841
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.68%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.68%

EU LR3 – LRSpl: Split-up of on balance sheet exposures

in € m.		Dec 31, 2023 CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures),	32,577
	of which:	
EU-2	Trading book exposures	0
EU-3	Banking book exposures,	32,577
	of which:	
EU-4	Covered bonds	0
EU-5	Exposures treated as sovereigns	5,521
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	0
EU-7	Institutions	8,618
EU-8	Secured by mortgages of immovable properties	2,399
EU-9	Retail exposures	11
EU-10	Corporates	14,764
EU-11	Exposures in default	1,006
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	258

Process used to manage the risk of excessive leverage

Article 451 (1) (d) CRR and EU LRA

The Risk Committee of the Supervisory Board of the Bank is mandated to oversee, control and monitor integrated planning of the Bank’s risk profile and capital capacity. The ALCo monitors the leverage exposure development and the Bank´s capacity in order to ensure compliance with the Risk Appetite Framework:

- Support business achievement of strategic performance plans.
- Incentivize businesses to make appropriate decisions on its portfolios, with consideration to asset maturity and encumbrance amongst others.
- Maintain risk and leverage exposure discipline.

The governance framework ensures that the leverage exposure capacity is carefully decided to reach the Bank`s and DB Group’s external leverage ratio target and avoids an excessive leverage of the Bank and its divisions. The resulting leverage exposure limits include all assets including those inflating the Bank’s balance sheet through asset encumbrance.

Factors that had an impact on the leverage ratio in 2023

Article 451 (1) (e) CRR and EU LRA

As of December 31, 2023, the leverage ratio was 8.7 % compared to 9.5 % as of December 31, 2022. This takes into account a Tier 1 capital of € 5.4 billion over an applicable exposure measure of € 61.8 billion as of December 31, 2023 (€ 5.4 billion and € 57.2 billion as of December 31, 2022, respectively).

In 2023, the leverage exposure increased by € 4.6 billion or 8.2 % to € 61.8 billion, largely driven by the increased leverage exposure for on-balance sheet exposures by € 3.1 billion (assets excluding derivatives). This mainly reflects the development of the balance sheet with Loans and advances to clients increasing by € 2.0 billion and loans and advances to credit institutions increasing by € 0.9 billion. Other asset items were materially unchanged.

In addition, Off-balance sheet leverage exposures increased by € 1.5 billion corresponding to growth in loan commitments and financial guarantees.

Credit risk and credit risk mitigation

General qualitative information on credit risk

Credit risk management strategies and processes

Article 435 (1) (a) CRR (EU OVA & EU CRA)
Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which the Bank refers to collectively as "counterparties") exist, including those claims that the Bank plans to distribute; these transactions are typically part of the Bank's non-trading lending activities (such as loans and contingent liabilities) as well as the Bank's direct trading activity with clients (such as OTC derivatives); these also include traded bonds and debt securities; carrying values of equity investments are also disclosed in the Bank's Credit Risk section. The Bank manages the respective positions within DB Group's market risk and credit risk frameworks.

Based on the Risk Type Taxonomy, credit risk is grouped into four material categories, namely default/migration risk, transaction/settlement risk (exposure risk), mitigation risk and credit concentration risk. This is complemented by a regular risk identification and materiality assessment.

- Default/migration risk as the main element of credit risk, is the risk that a counterparty defaults on its payment obligations or experiences material credit quality deterioration increasing the likelihood of a default
- Transaction/settlement risk (exposure risk) is the risk that arises from any existing, contingent or potential future positive exposure
- Mitigation risk is the risk of higher losses due to risk mitigation measures not performing as anticipated
- Credit concentration risk is the risk of an adverse development in a specific single counterparty, country, industry or product leading to a disproportionate deterioration in the risk profile of the Bank's credit exposures to that counterparty, country, industry or product.

Credit risk is measured by credit rating, regulatory and internal capital demand and key components mentioned below.

The credit rating is an essential part of the Bank's underwriting and credit process and provides – amongst others – a cornerstone for risk appetite determination on a counterparty and portfolio level, credit decision and transaction pricing as well the determination of regulatory capital demand for credit risk. Each counterparty must be rated and each rating has to be reviewed at least annually. Ongoing monitoring of counterparties helps to keep ratings up-to-date. A credit rating is a prerequisite for any credit limit established/ approved. For each credit rating the appropriate rating approach has to be applied and the derived credit rating has to be established in the relevant systems. Different rating approaches have been established to best reflect the specific characteristics of exposure classes, including specific product types, central governments and central banks, institutions, corporates and retail.

Counterparties in the Bank's non-homogenous portfolios are rated by DB Group's independent Credit Risk Management function. Country risk ratings are provided by DB Group Enterprise Risk Management Risk Research.

The Bank's rating analysis is based on a combination of qualitative and quantitative factors. When rating a counterparty DB Group applies in-house assessment methodologies, scorecards and the DB Group's 21-grade rating scale for evaluating the creditworthiness of the Bank's counterparties.

The Bank applies the standardized approach to measure risk-weighted assets to determine the regulatory capital demand for credit risk. The standardized approach measures credit risk either pursuant to fixed risk weights, which are predefined by the regulator, or through the application of external ratings.

In addition to the above-described regulatory capital demand, the Bank determines the internal capital demand for credit risk via an economic capital model.

DB Group calculates economic capital for the default risk, country risk and settlement risk as elements of credit risk. In line with the Deutsche Bank AG economic capital framework, economic capital for credit risk is set at a level to absorb with a probability of 99.9 % very severe aggregate unexpected losses within one year. DB Group's economic capital for credit risk is derived from the loss distribution of a portfolio via Monte Carlo Simulation of correlated rating migrations. The loss distribution is modelled in two steps. First, individual credit exposures are specified based on parameters for the probability of default, exposure at default and loss given default. In a second step, the probability of joint defaults is modelled through the introduction of economic factors, which correspond to geographic regions and industries. The simulation of portfolio losses is then performed by an internally developed model, which takes rating migration and maturity effects into account.

Effects due to wrong-way derivatives risk (i.e., the credit exposure of a derivative in the default case is higher than in non-default scenarios) are modelled by applying Deutsche Bank AG's own alpha factor when deriving the exposure at default for derivatives and securities financing transactions under the CRR. DB Group allocates expected losses and economic capital derived from loss distributions down to transaction level to enable management on transaction, customer, business and legal entity level.

Besides the credit rating, which is a key component Deutsche Bank AG applies for managing the Bank's credit portfolio, including transaction approval and the setting of risk appetite, Deutsche Bank AG establishes credit limits for all credit exposures. Credit limits set forth maximum credit exposures Deutsche Bank AG is willing to assume over specified periods. In determining the credit limit for a counterparty, the Bank considers the counterparty's credit quality by reference to its internal credit rating. Credit limits and credit exposures are both measured on a gross and net basis where net is derived by deducting hedges and certain collateral from respective gross figures. For derivatives, the Bank looks at current market values and the potential future exposure over the relevant time horizon which is based upon the Bank's agreements with the counterparty. The Bank also takes into consideration the risk-return characteristics of individual transactions and portfolios. Risk-return metrics explain the development of client revenues as well as capital consumption.

Credit risk management structure and organization

Article 435 (1)(b) CRR EU OVA & EU CRA
DB Group and the Bank manage its credit risk using the following principles:

- Credit Risk Management forms part of the 2nd LoD within DB Group's Three Lines of Defence model. Business as primary risk taker and owner forms the 1st LoD and Group Audit the 3rd LoD
- In each of the Bank's divisions, credit decision standards, processes and principles are consistently applied
- A key principle of credit risk management is client credit due diligence; the Bank's client selection is achieved in collaboration with the Bank's business division counterparts who stand as a first Line of Defence
- The Bank aims to prevent undue concentration and tail-risks (large, unexpected losses) by maintaining a diversified credit portfolio; client, industry, country and product-specific concentrations are assessed and managed against the Bank's risk appetite
- The Bank maintains underwriting standards aiming to avoid large undue credit risk on a counterparty and portfolio level; in this regard the Bank extends also unsecured cash positions and actively use hedging for risk mitigation purposes; additionally, the Bank strives to secure its derivative portfolio through collateral agreements and may additionally hedge concentration risks to further mitigate credit risks from underlying market movements
- Every new credit facility and every extension of an existing credit facility (such as exposure limit increase) to any counterparty requires credit approval at the appropriate authority level in line with the minimum required credit authority calculation within an established credit authority grid. The Bank assigns credit approval authorities to individuals according to their qualifications and experience, and the Bank reviews these periodically
- DB Group and the Bank manages all its credit exposures to each obligor on the basis of the "one obligor principle" (as required under Article 4(1)(39) CRR and related regulatory guidance), under which all facilities to a group of borrowers which are linked to each other (for example by one entity holding a majority of the voting rights or capital of another) are consolidated under one group
- DB Group has established within Credit Risk Management – where appropriate – specialized teams for deriving internal client ratings, analysing and approving transactions, monitoring the specific portfolios or covering workout clients; for transaction approval purposes, structured credit risk management teams are aligned to the respective lending business areas to ascertain adequate product expertise
- DB Group has established processes to manage credit exposures at legal entity level
- To meet the requirements of Article 190 CRR, DB Group and the Bank has allocated the various control requirements for the credit processes to 2nd LoD units that are best suited to perform such controls.

The model change process and the relevant governance bodies are described in the chapter "Role of the function in the credit risk model process, scope and main content of credit risk models".

Scope and nature of credit risk measurement and reporting systems

Article 435 (1) (c) CRR (EU OVA & EU CRA)
Both credit and non-credit risk measurement systems support credit risk related management reporting and provide the basis for reporting on credit risk positions and utilization under established limits to relevant stakeholders on a regular and ad-hoc basis. Established units within Enterprise Risk Management and the Credit Risk unit on DB Group level as well as the local Risk Control and the Credit Risk Management function of the Bank assume responsibility for measurement, analysis and reporting of risk while promoting sufficient quality and integrity of credit risk-related data.

The main reports on credit risk that are used to provide stakeholders with information relating to the Bank credit risk profile are the following:

- The main report on risk and capital management that is used to provide central governance bodies with information relating to the Bank's risk profile is the quarterly Risk & Capital Profile report (RCP). It is a cross-risk report that provides a comprehensive view of the Bank's risk profile and is used to inform the ALCo, the Management Board and the Supervisory Board. The RCP includes Risk Type specific overviews, as well as enterprise-wide risk topics, such as ICAAP and ILAAP. It provides updates on key Risk Appetite and other Risk Type metrics, as well as on key developments in areas of particular interest and emerging risks
- The monthly deck for the Credit Risk Information Meeting (CRIM), a summary that provides an update of latest credit risk developments over the month, including recent news, CLP, and underwriting pipeline trends
- Risk Control Function MIS, the monthly key risk report focused on the Bank´s risk profile and risk appetite monitoring, including information on the development of financial resources such as credit risk RWA and credit risk economic capital including stress testing and updates on the development and outlook of Credit Loss Provisions (CLP).

Policies for hedging and mitigating credit risk

Article 435 (1) (d) CRR (EU OVA & EU CRA)
DB Group has regulated the acceptance, valuation and management of risk mitigating and hedging instruments in a framework of approved global, local and product or business specific policies and procedures which determine DB Group's standards and consider legal and regulatory requirements. Tasks, responsibilities and respective authorities are dedicated here while the processes are executed mainly decentralized or locally or in specific teams with delegated tasks.

Under the framework of the "Principles for Managing Credit Risk" as well as the "Policy for Managing Credit Risk" DB Group´s main respective policies for hedging and mitigating credit risk are:

- Global Collateral Management Guide (for banking book collateral) - Credit Risk
- Global Collateral Guidelines (for Derivatives and Securities Financing Transactions) - CRO CRM

supplemented by divisional credit policies and process guides and a comprehensive regime of local, divisional and business specific collateral management and valuation procedures, directives and manuals. All these regulations are reviewed, updated and approved at least annually and distributed to the relevant staff as well as accessible on the DB Group´s Policy Portal.

The Bank adheres to the DB Group Credit Risk Management framework and has established a local Credit Risk Guideline with underlying procedure. The main governance for the hedging of the vast majority of the Bank's loans and credit lines towards corporate clients is the "SCL - Lending Risk Management" document.

Definitions of past due and impairment

Article 442 (a) CRR (EU CRB)
Exposures are considered to be past due if contractually agreed payments of principal and/or interest remain unpaid by the borrower, except if those are acquired through consolidation. The latter are considered to be past due if payments of principal and/or interest, which were expected at a certain payment date at the time of the initial consolidation of the loans, are unpaid by the borrower.

In alignment with DB Group, the Bank has aligned its definition of "credit impaired" under IFRS 9 to the default definition as per Art. 178 of the Capital Requirements Regulation for regulatory purposes. As a consequence, credit impaired financial assets (or Stage 3 financial assets) consist of two types of defaulted financial assets: financial assets where the Bank expects an impairment loss and the amount is reflected in the allowance for credit losses and financial assets, where the Bank does not expect an impairment loss (e.g., due to high quality collateral or sufficient expected future cash flows following thorough due diligence).

Credit risk adjustments

Article 442 (b) CRR (EU CRB)
The determination of impairment losses and allowances is based on the expected credit loss model under IFRS 9, where allowances for loan losses are recorded upon initial recognition of the financial asset, based on expectations of potential credit losses at the time of initial recognition.

The impairment requirements of IFRS 9 apply to all credit exposures that are measured at amortized cost or fair value through other comprehensive income and to off balance sheet lending commitments, such as loan commitments and financial guarantees. For purposes of the DB Group’s impairment approach, the Bank refers to these instruments as financial assets.

DB Group and the Bank determine their allowance for credit losses in accordance with IFRS 9 as follows:

– Stage 1 reflects financial instruments where it is assumed that credit risk has not increased significantly after initial recognition
– Stage 2 contains all financial assets, that are not defaulted, but have experienced a significant increase in credit risk since initial recognition
– Stage 3 consists of financial assets of clients which are defaulted in accordance with DB’s policies on regulatory default, which are based on Art. 178 CRR; the Bank defines these financial assets as impaired, non-performing and defaulted
– Significant increase in Credit Risk is determined using quantitative and qualitative information based on DB Group’s and the Bank´s historical experience, credit risk assessment and forward-looking information
– Purchased or Originated Credit Impaired (POCI) financial assets are assets where at the time of initial recognition there is objective evidence of impairment.

The IFRS 9 impairment approach is an integral part of DB Group’s Credit Risk Management procedures. The estimation of expected credit losses (ECL’s) is either performed via the automated, parameter based ECL calculation using DB Group’s ECL model or determined by Credit Officers. In both cases, the calculation takes place for each financial asset individually. Similarly, the determination of the need to transfer between stages is made on an individual asset basis. DB Group’s ECL model is used to calculate the allowance for credit losses for all financial assets in Stage 1 and Stage 2. For financial assets in the Bank’s portfolio in Stage 3 and for POCI assets, the allowance for credit losses is determined by Credit Officers.

DB Group uses three main components to measure ECL. These are PD, LGD and EAD. DB Group leverages existing parameters used for determination of capital demand under the Basel Internal Ratings Based Approach and internal risk management practices as much as possible to calculate ECL. These parameters are adjusted where necessary to comply with IFRS 9 requirements (e.g., use of point in time ratings and removal of downturn add-ons in the regulatory parameters). Incorporating forecasts of future economic conditions into the measurement of expected credit losses influences the allowance for credit losses in Stage 1 and 2. In order to calculate lifetime expected credit losses, DB Group’s calculation derives the corresponding lifetime PDs from migration matrices that reflect economic forecasts.

General quantitative information on credit risk

Residual maturity breakdown of credit exposure

Article 442 (g) CRR
Table EU CR1-A provides the net credit exposures by maturities and exposure classes. The exposure amount includes on-balance sheet items, whereby the net exposure value is calculated by deducting credit risk adjustments from its gross carrying amount. The net exposure is split into the below 5 categories based on the residual contractual maturity of the instrument.

– On Demand – where the counterparty has a choice of when the amount is repaid
– Bucketing remaining maturity – 0 to 1 year, 1 to 5 years, and more than 5 years
– No stated maturity – where an exposure has no stated maturity for reasons other than the counterparty having the choice of the repayment date.

The breakdown into the exposure classes follows those as defined for the standardized approach. The exposure class “Other items” within the standardized approach includes all exposures not covered in the other categories.

EU CR1-A – Maturity of exposures

Dec 31, 2023

	a	b	c	d	e	f
	Net exposure value					
in € m.	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	191	6,037	11,926	1,098	0	19,252
Debt securities	0	0		5	0	5
Total	191	6,037	11,926	1,103	0	19,257

Quality of non-performing exposures by geography

Relevant exposures are debt instruments (debt securities, loans, advances, demand deposits) as well as off-balance sheet exposures (loan commitments given, financial guarantees given and any other commitments) excluding those exposures held for trading.

The amounts shown are based on the IFRS gross carrying and nominal values according to the regulatory scope of consolidation. The gross carrying amount reflects the exposure value before deduction of accumulated impairment, provisions and accumulated negative changes due to credit risk for non-performing exposures.

An exposure is being classified as non-performing if it meets the non-performing criteria in Article 47a CRR and an exposure is classified as defaulted if it meets the definition of default as per Article 178 CRR. Exposures subject to impairment under IFRS 9 include debt instruments at amortized cost and fair value through OCI as well as off-balance sheet exposures.

Article 442 (c), (e) CRR
Table EU CQ4 provides information about performing and non-performing exposures broken down by countries. The geographical distribution is based on the legal domicile of the counterparty or issuer.

EU CQ4 – Quality of non-performing exposures by geography

Dec 31, 2023

		a	b	c	d	e	f	g
		Gross carrying/nominal amount						
			Of which non-performing					
	in € m.			Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	***On-balance-sheet exposures***	19,552	1,298	1,298	19,547	-295	0	0
	United Arab Emirates	337	0	0	337	0	0	0
	Austria	82	0	0	82	0	0	0
	Azerbaijan	0	0	0	0	0	0	0
	Belgium	461	0	0	461	-5	0	0
	Bermuda	169	0	0	169	0	0	0
	Canada	0	0	0	0	0	0	0
	Suisse	479	15	15	479	-15	0	0
	China	0	0	0	0	0	0	0
	Cyprus	248	0	0	248	0	0	0
	China	58	0	0	58	0	0	0
	Germany	5,576	180	180	5,576	-84	0	0
	Denmark	20	0	0	20	0	0	0
	Estonia	0	0	0	0	0	0	0
	Egypt	64	0	0	64	-1	0	0
	Spain	329	0	0	329	0	0	0
	France	1,788	241	241	1,788	-68	0	0

Dec 31, 2023

	in € m.	a	b	c	d	e	f	g
		Gross carrying/nominal amount						
			Of which non-performing					
				Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Great Britain	1,458	229	229	1,458	-17	0	0
	Guernsey Island	743	0	0	743	0	0	0
	Gibraltar	157	0	0	157	0	0	0
	Greece	66	31	31	66	-21	0	0
	Croatia	0	0	0	0	0	0	0
	Hungary	138	0	0	138	0	0	0
	Ireland	57	0	0	52	0	0	0
	Israel	8	0	0	8	0	0	0
	Isle of Man	17	0	0	17	0	0	0
	Italy	347	2	2	347	-1	0	0
	Jersey Islands	796	0	0	796	-2	0	0
	Cayman Islands	183	114	114	183	0	0	0
	Lebanon	73	72	72	73	-55	0	0
	Liechtenstein	0	0	0	0	0	0	0
	Luxembourg	1,652	4	4	1,652	-4	0	0
	Monaco	55	25	25	55	-9	0	0
	Malta	1	0	0	1	0	0	0
	Mexico	0	0	0	0	0	0	0
	Netherlands	682	0	0	682	-1	0	0
	Norway	2	2	2	2	-2	0	0
	Peru	48	5	5	48	0	0	0
	Poland	16	0	0	16	0	0	0
	Portugal	0	0	0	0	0	0	0
	Qatar	200	0	0	200	0	0	0
	Russian Federation	0	0	0	0	0	0	0
	Saudi Arabia	540	0	0	540	0	0	0
	Sweden	506	275	275	506	-2	0	0
	Singapore	0	0	0	0	0	0	0
	Turkey	88	86	86	88	-3	0	0
	Ukraine	0	0	0	0	0	0	0
	United States of America	1,850	7	7	1,850	-2	0	0
	Uzbekistan	9	0	0	9	0	0	0
	Virgin Islands (British)	248	10	10	248	-3	0	0
	South Africa	1	0	0	1	0	0	0
080	**Off-balance-sheet exposures**	53,161	70	70	0	0	20	0
	United Arab Emirates	236	0	0	0	0	0	0
	Austria	338	0	0	0	0	0	0
	Australia	554	0	0	0	0	0	0
	Belgium	733	0	0	0	0	0	0
	Bermuda	208	0	0	0	0	0	0
	Canada	0	0	0	0	0	0	0
	Suisse	4,333	0	0	0	0	1	0
	China	54	0	0	0	0	0	0
	Cyprus	43	0	0	0	0	0	0
	China	125	0	0	0	0	0	0
	Germany	15,976	12	12	0	0	8	0
	Denmark	753	0	0	0	0	0	0
	Spain	1,664	0	0	0	0	1	0
	Finland	272	0	0	0	0	0	0
	France	6,254	58	58	0	0	2	0
	Great Britain	5,646	0	0	0	0	2	0
	Guernsey Island	107	0	0	0	0	0	0
	Gibraltar	0	0	0	0	0	0	0
	Hong Kong	509	0	0	0	0	0	0
	Hungary	0	0	0	0	0	0	0

Dec 31, 2023

		a	b	c	d	e	f	g
		Gross carrying/nominal amount						
			Of which non-performing					
	in € m.			Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	Ireland	476	0	0	0	0	0	0
	Israel	0	0	0	0	0	0	0
	Isle of Man	80	0	0	0	0	0	0
	Italy	1,341	0	0	0	0	1	0
	Jersey Islands	339	0	0	0	0	0	0
	Japan	367	0	0	0	0	0	0
	Cayman Islands	550	0	0	0	0	0	0
	Liechtenstein	115	0	0	0	0	0	0
	Luxembourg	2,116	0	0	0	0	0	0
	Monaco	0	0	0	0	0	0	0
	Malta	0	0	0	0	0	0	0
	Netherlands	5,011	0	0	0	0	1	0
	Norway	367	0	0	0	0	0	0
	Peru	5	0	0	0	0	0	0
	Poland	0	0	0	0	0	0	0
	Portugal	415	0	0	0	0	0	0
	Qatar	65	0	0	0	0	0	0
	Saudi Arabia	862	0	0	0	0	0	0
	Sweden	1,736	0	0	0	0	2	0
	Singapore	444	0	0	0	0	0	0
	Slovakia	0	0	0	0	0	0	0
	Turkey	0	0	0	0	0	0	0
	United States of America	769	0	0	0	0	0	0
	Virgin Islands (British)	298	0	0	0	0	0	0
	South Africa	0	0	0	0	0	0	0
150	**Total**	72,713	1,368	1,368	19,547	-295	20	0

Credit quality of loans and advances to non-financial corporations by industry

Article 442 (c), (e) CRR

Table EU CQ5 provides information about performing and non-performing exposures to non-financial corporations broken down by industry. The industry classification is based on NACE codes. NACE (Nomenclature des Activités Économiques dans la Communauté Européenne) is a European industry standard classification system for classifying business activities.

EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

							Dec 31, 2023
		a	b	c	d	e	f
		Gross carrying amount					
			of which non-performing				
in € m.				Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	4	0	0	4	0	0
020	Mining and quarrying	41	0	0	41	0	0
030	Manufacturing	1,935	168	168	1,935	-36	0
040	Electricity, gas, steam and air conditioning supply	560	0	0	560	-1	0
050	Water supply	0	0	0	0	0	0
060	Construction	44	0	0	44	0	0
070	Wholesale and retail trade	548	24	24	548	-19	0
080	Transport and storage	330	0	0	330	0	0
090	Accommodation and food service activities	158	17	17	158	-11	0
100	Information and communication	653	7	7	653	-6	0
110	Financial and insurance activities	1,878	0	0	1,878	-8	0
120	Real estate activities	2,299	342	342	2,299	-17	0
130	Professional, scientific and technical activities	2,071	164	164	2,071	-91	0
140	Administrative and support service activities	186	1	1	186	-1	0
150	Public administration and defence, compulsory social security	0	0	0	0	0	0
160	Education	0	0	0	0	0	0
170	Human health services and social work activities	26	19	19	26	0	0
180	Arts, entertainment and recreation	149	0	0	149	0	0
190	Other services	111	0	0	111	0	0
200	Total	10,995	741	741	10,995	-190	0

Performing and non-performing exposures and related provisions

Article 442 (c) CRR

Table EU CR1 provides information about performing and non-performing exposures broken down by Supervisory Reporting counterparty classes.

EU CR1 - Performing and non-performing exposures and related provisions

																Dec 31, 2023
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Collateral and financial guarantees received on	
in € m.		Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Accumulated partial write-off	performing exposures	non-performing exposures
005	Cash balances at central banks and other demand deposits	12,926	12,926	0	0	0	0	0	0	0	0	0	0	0	255	0
010	Loans and advances	18,249	16,280	1,968	1,298	0	1,298	-36	-18	-18	-259	0	-259	0	10,185	872
020	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
030	General governments	64	64	0	0	0	0	-1	-1	0	0	0	0	0	62	0
040	Credit institutions	1,143	1,143	0	0	0	0	0	0	0	0	0	0	0	0	0
050	Other financial corporations	5,878	5,186	692	414	0	414	-9	-7	-3	-4	0	-4	0	4,072	331
060	Non-financial corporations	10,253	9,045	1,209	741	0	741	-25	-10	-15	-165	0	-165	0	5,380	517
070	Of which SMEs	264	207	57	44	0	44	-1	0	-1	-22	0	-22	0	195	22
080	Households	911	843	68	143	0	143	0	0	0	-91	0	-91	0	670	23
090	Debt securities	5	0	0	0	0	0	0	0	0	0	0	0	0	5	0
100	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	General governments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
130	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

																Dec 31, 2023
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Collateral and financial guarantees received on	
in € m.		Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Accumulated partial write-off	performing exposures	non-performing exposures
140	Non-financial corporations	5	0	0	0	0	0	0	0	0	0	0	0	0	5	0
150	Off-balance-sheet exposures	53,091	51,872	1,219	70	0	70	19	14	5	1	0	1	0	23,159	12
160	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
170	General governments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
180	Credit institutions	698	698	0	0	0	0	0	0	0	0	0	0	0	45	0
190	Other financial corporations	9,690	9,594	95	0	0	0	2	2	0	0	0	0	0	5,848	0
200	Non-financial corporations	42,057	40,933	1,124	70	0	70	17	13	5	1	0	1	0	17,059	12
210	Households	647	647	0	0	0	0	0	0	0	0	0	0	0	207	0
220	Total	84,271	81,079	3,187	1,368	0	1,368	-17	-4	-13	-259	0	-259	0	33,604	884

Credit quality of performing and non-performing exposures by days past due

Article 442 (c)-(d) CRR

Table EU CQ3 provides information about performing and non-performing exposures by days past due broken down by Supervisory Reporting counterparty classes.

EU CQ3 – Credit quality of performing and non-performing exposures by past due days

													Dec 31, 2023
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
in € m.		Total	Not past due or past due =< 30 days	Past due > 30 days =< 90 days	Total	Unlikely to pay that are not past due or are past due =< 90 days	Past due > 90 days =< 180 days	Past due > 180 days =< 1 year	Past due > 1 year =< 2 years	Past due > 2 years =< 5 years	Past due > 5 years =< 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	12,926	12,926	0	0	0	0	0	0	0	0	0	0
010	Loans and advances	18,249	18,067	182	1,298	543	0	221	44	165	291	34	1,298
020	Central banks	0	0	0	0	0	0	0	0	0	0	0	0
030	General governments	64	64	0	0	0	0	0	0	0	0	0	0
040	Credit institutions	1,143	1,143	0	0	0	0	0	0	0	0	0	0
050	Other financial corporations	5,878	5,878	0	414	119	0	0	0	18	275	2	414
060	Non-financial corporations	10,253	10,072	182	741	373	0	220	44	71	16	18	741
070	Of which SMEs	264	264	0	44	20	0	18	0	6	0	0	44
080	Households	911	911	0	143	51	0	1	0	76	0	14	143
090	Debt securities	5	5	0	0	0	0	0	0	0	0	0	0
100	Central banks	0	0	0	0	0	0	0	0	0	0	0	0
110	General governments	0	0	0	0	0	0	0	0	0	0	0	0
120	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0
130	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0
140	Non-financial corporations	5	5	0	0	0	0	0	0	0	0	0	0
150	Off-balance-sheet exposures	53,091	0	0	70	0	0	0	0	0	0	0	70
160	Central banks	0	0	0	0	0	0	0	0	0	0	0	0
170	General governments	0	0	0	0	0	0	0	0	0	0	0	0
180	Credit institutions	698	0	0	0	0	0	0	0	0	0	0	0
190	Other financial corporations	9,690	0	0	0	0	0	0	0	0	0	0	0
200	Non-financial corporations	42,057	0	0	70	0	0	0	0	0	0	0	70
210	Households	647	0	0	0	0	0	0	0	0	0	0	0
220	Total	84,271	30,999	182	1,368	543	0	221	44	165	291	34	1,368

Development of non-performing loans and advances

Article 442 (f) CRR

EU CR2 – Changes in the stock of non-performing loans and advances

in € m.		Dec 31, 2023
		a
		Gross carrying amount
010	Initial stock of non-performing loans and advances	944
020	Inflows to non-performing portfolios	543
030	Outflows from non-performing portfolios	-189
040	Outflows due to write-offs	-103
050	Outflow due to other situations	-86
060	Final stock of non-performing loans and advances	1,298

Template EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

in € m.		Dec 31, 2023	
		a	b
		Gross carrying amount	Related net accumulated recoveries
010	Initial stock of non-performing loans and advances	944	0
020	Inflows to non-performing portfolios	543	0
030	Outflows from non-performing portfolios	-189	0
040	Outflow to performing portfolio	0	0
050	Outflow due to loan repayment, partial or total	0	0
060	Outflow due to collateral liquidations	0	0
070	Outflow due to taking possession of collateral	0	0
080	Outflow due to sale of instruments	0	0
090	Outflow due to risk transfers	0	0
100	Outflows due to write-offs	-103	0
110	Outflow due to other situations	-86	0
120	Outflow due to reclassification as held for sale	0	0
130	Final stock of non-performing loans and advances	1,298	0

Credit quality of forborne exposures

Article 442 (c) CRR

Exposures are being classified as forborne according to the criteria in Article 47b of the CRR.

EU CQ1 – Credit quality of forborne exposures

Dec 31, 2023

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which, on non-performing exposures with forbearance measures
in € m.				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	0	0	0	0	0	0	0	0
010	Loans and advances	670	733	733	733	-11	-185	1,010	442
020	Central banks	0	0	0	0	0	0	0	0
030	General governments	0	0	0	0	0	0	0	0
040	Credit institutions	0	0	0	0	0	0	0	0
050	Other financial corporations	134	401	401	401	-1	-3	437	325
060	Non-financial corporations	536	192	192	192	-9	-93	550	93
070	Households	0	141	141	141	0	-90	23	23
080	Debt Securities	0	0	0	0	0	0	0	0
090	Loan commitments given	105	12	12	12	0	1	63	11
100	Total	775	744	744	744	-11	-186	1,074	453

EU CQ2 – Quality of forbearance

		Dec 31, 2023
in € m.		Gross carrying amount of forborne exposures
010	Loans and advances that have been forborne more than twice	0
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	49

Article 442 (c) CRR

Table EU CQ6 provides information about the collateralization of performing and non-performing on-balance exposures.

EU CQ6: Collateral valuation - loans and advances

		a	b	c	d	e	f	g	h	i	j	k	l
													Dec 31, 2023
		Loans and advances											
			Performing		Non-performing								
						Unlikely to pay that are not past due or are past due <= 90 days	Past due > 90 days						
	in € m.			Of which past due > 30days <= 90 days				Of which past due > 90 days <= 180 days	Of which: past due > 180 days <= 1 year	Of which: past due > 1 years <=2 years	Of which: past due > 2 years <=5 years	Of which: past due > 5 years <=7 years	Of which: past due > 7 years
010	Gross carrying amount	19,547	18,249	182	1,298	543	755	0	221	44	165	291	34
020	Of which: secured	11,785	10,527	78	1,258	514	744	0	221	38	162	289	34
030	Of which: secured with Immovable property	3,176	2,615	0	561	293	268	0	202	1	48	0	17
040	Of which: instruments with LTV higher than 60% and lower or equal to 80%	0	0	0	0	0	0	0	0	0	0	0	0
050	Of which: instruments with LTV higher than 80% and lower or equal to 100%	0	0	0	0	0	0	0	0	0	0	0	0
060	Of which: instruments with LTV higher than 100%	0	0	0	0	0	0	0	0	0	0	0	0
070	Accumulated impairment for secured assets	-280	-28	0	-252	-95	-157	0	-14	-24	-83	-14	-21
080	Collateral	0	0	0	0	0	0	0	0	0	0	0	0
090	Of which value capped at the value of exposure	4,781	4,110	0	671	431	240	0	194	1	40	0	6
100	Of which: immovable property	3,192	2,726	0	466	226	240	0	194	1	40	0	6
110	Of which value above the cap	8,070	7,957	0	113	79	34	0	0	0	0	0	0
120	Of which: immovable property	1,645	1,533	0	113	79	34	0	0	0	0	0	0
130	Financial guarantees received	6,276	6,075	78	201	167	34	0	6	13	14	1	0
140	Accumulated partial write-off	0	0	0	0	0	0	0	0	0	0	0	0

Collateral obtained by taking possession

Article 442 (c) CRR
No collateral has been taken in possession due to default of counterparties, thus the tables EU CQ7 and EU CQ8 are not applicable.

General qualitative information on credit risk mitigation

Article 453 (a) - (e) CRR (EU CRC)

Use of on- and off-balance sheet netting

Article 453 (a) CRR
The Bank's derivative financial transactions consist exclusively of contracts forming part of the non-trading portfolio and are concluded largely with counterparties within DB Group. At the end of the year, there were no exchange-traded financial transactions. In principle, the credit risk portfolio agreements permit netting. Where the Bank could assume legally enforceable netting agreements were in place, corresponding effects were considered in the analysis of financial transactions. Apart from this, there are no further netting agreements considered in derivative financial transactions.

The European Regulation (EU) No 648/2012 on OTC Derivatives, Central Counterparties and Trade Repositories (EMIR) and the Commission Delegated Regulations (EU) 2015/2205, (EU) 2015/592 and (EU) 2016/1178 based thereupon introduced mandatory CCP clearing in the EU for certain standardized OTC derivatives transactions. Mandatory CCP clearing in the EU began for certain interest rate derivatives on June 21, 2016 and for certain iTraxx-based credit derivatives and additional interest rate derivatives on February 9, 2017. Article 4 (2) of EMIR authorizes competent authorities to exempt intragroup transactions from mandatory CCP clearing, provided certain requirements, such as full consolidation of the intragroup transactions and the application of an appropriate centralized risk evaluation, measurement and control procedure are met. The Bank successfully applied for the clearing exemption related to intragroup derivatives. As of December 31, 2022, the Bank is allowed to make use of this intragroup exemption from the EMIR clearing obligation.

The Dodd-Frank Act and CFTC rules thereunder, including CFTC rule § 23.504, as well as EMIR and Commission Delegated Regulation based thereon, namely Commission Delegated Regulation (EU) 2016/2251, introduced the mandatory use of master agreements and related CSAs, which must be executed prior to or contemporaneously with entering into an uncleared OTC derivative transaction.

Under Commission Delegated Regulation (EU) 2016/2251, which implements the EMIR margin requirements, the CSA must provide for daily valuation and daily variation margining based on a zero threshold and a minimum transfer amount of not more than € 500,000. For large derivative exposures exceeding € 8 billion, initial margin has to be posted as well. The variation margin requirements under EMIR apply as of March 1, 2017; the initial margin requirements originally were subject to a staged phase-in until September 1, 2021. However, legislative changes published on February 17, 2021 extended deadlines into 2022. Under Article 31 of Commission Delegated Regulation (EU) 2016/2251, an EU party may decide to not exchange margin with counterparties in certain non-netting jurisdictions provided certain requirements are met. Pursuant to Article 11 (5) to (10) of EMIR, competent authorities are authorized to exempt intragroup transactions from the margining obligation, provided certain requirements are met. While some of those requirements are the same as for the EMIR clearing exemptions (see above), there are additional requirements such as the absence of any current or foreseen practical or legal impediment to the prompt transfer of funds or repayment of liabilities between intragroup counterparties. DB group is making use of this exemption. The Bank has successfully applied for the collateral exemption related to intragroup derivatives. As of December 31, 2022, the Bank is allowed to use intragroup exemptions from the EMIR collateral obligation. While the application requirement may be abolished with EMIR 3.0" (see European Commission proposal COM (2022) 697 final), the Bank continues to have processes in place ensuring readiness for intragroup margining should the need arise.

Collateral evaluation and management

Article 453 (b) CRR
DB Group's processes ensure onboarding of high-quality collateral the Bank accepts for risk mitigation purposes and their prudent valuation and management. This includes processes to generally ensure legally effective and enforceable documentation for realizable and measurable collateral assets which are evaluated within the on-boarding process by dedicated internal appraisers or teams with the respective qualification, skills and experience or adequate external valuers

mandated in regulated processes. The applied valuations follow generally accepted valuation methods or models. Ongoing correctness of values is monitored by collateral type specific appropriate frequent and event-driven reviews considering relevant risk parameters. Revaluations are applied in cases of identified probable material deteriorations and future monitoring may be adjusted respectively. The assessment of the suitability of collateral for a specific transaction is part of the credit decision and must be undertaken in a conservative way, including collateral haircuts that are applied. DB Group has collateral type specific haircuts in place which are regularly reviewed and approved.

In this regard, DB Group strives to avoid "wrong-way" risk characteristics where the counterparty's risk is positively correlated with the risk of deterioration in the collateral value. For guarantee collateral, the process for the analysis of the guarantor's creditworthiness is aligned to the credit assessment process for counterparties.

The valuation of collateral is considered under a liquidation scenario. The liquidation value is equal to the expected proceeds of collateral monetization/realization in a base case scenario, wherein a fair price is achieved through careful preparation and orderly liquidation of the collateral. Collateral can either move in value over time (dynamic value) or not (static value). The dynamic liquidation value generally includes a safety margin or haircut over realizable value to address liquidity and marketability aspects.

DB Group and the Bank assigns a liquidation value to eligible collateral, based on, among other things:

- The market value and / or lending value, notional amount or face value of a collateral as a starting point
- The type of collateral; the currency mismatch, if any, between the secured exposure and the collateral; and a maturity mismatch, if any
- The applicable legal environment or jurisdiction (onshore versus offshore collateral)
- The market liquidity and volatility in relation to agreed termination clauses
- The correlation between the performance of the borrower and the value of the collateral, e.g., in the case of the pledge of a borrower's own shares or securities (in this case generally full correlation leads to no liquidation value)
- The quality of physical collateral and potential for litigation or environmental risks; and
- A determined collateral type specific haircut (0 – 100 %) reflecting collection risks (i.e. price risks over the average liquidation period and processing/utilization/sales costs) as specified in the respective policies.

Collateral haircut settings are typically based on available historic internal and/or external recovery data (expert opinions may also be used, where appropriate). They also incorporate a forward-looking component in the form of collection and valuation forecast provided by experts within Risk Management. Considering the expected proceeds from the liquidation of the different collateral types, respective value fluctuations, market specific liquidation costs and time applied haircuts vary between 0 % to 100 %. When data is not sufficiently available or inconclusive, more conservative haircuts than otherwise used must be applied. Haircut settings are reviewed at least annually.

Main types of collateral

Article 453 (c) CRR

Collateral is credit protection in the form of (funded) assigned or pledged assets or (unfunded) third-party obligations that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the counterparty default risk or improving recoveries in the event of a default. DB Group generally takes all types of valuable and eligible collateral for its respective businesses but may limit accepted collateral types for specific businesses or regions as customary in the respective market or driven by purpose of efficiency and has implemented procedures and policies to regularly agree on collateral from customers that are subject to credit risk or from third parties which is based on legally effective and enforceable arrangements. While collateral can be an alternative source of repayment, it does not replace the necessity of high-quality underwriting standards and a thorough assessment of the debt service ability of the counterparty in line with Article 194 (9) CRR.

DB Group distinguishes between following two types of collateral received:

- Funded credit protection in forms of financial and other collateral, which enables the Bank to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the counterparty is unable or unwilling to fulfil its primary obligations; cash collateral, securities (equity, bonds), collateral pledges or assignments of other claims or inventory, movable assets (e.g., plant, machinery, ships and aircraft) and real estate typically fall into this category; all financial collateral is regularly, mostly daily, revalued and measured against the respective credit exposure; the value of other collateral, including real estate, is monitored based upon established processes that include regular reviews or revaluations by internal and/or external experts with appropriate qualification, skills and experience
- Unfunded credit protection in forms of guarantee collateral, which complements the counterparty's ability to fulfil its obligation under the legal contract and as such is provided by uncorrelated third parties; letters of credit, insurance contracts, export credit insurance, guarantees, credit derivatives and risk participations typically fall into this category; guarantees and strong letters of comfort provided by correlated group members of customers (generally the parent

company) are also accepted and used for risk transfer in approved rating scorecards; guarantee collateral with a non-investment grade rating of the guarantor is limited.

Main types of guarantor and credit derivative counterparties

Article 453 (d) CRR
DB Group accepts different types of unfunded credit protection, which complements the counterparty's ability to fulfil its obligation and as such is provided by uncorrelated third parties with checked creditworthiness. The process for the analysis of the guarantor's creditworthiness is aligned to the credit assessment process for counterparties. Letters of credit, insurance contracts, export credit insurance, guarantees, credit derivatives and risk participations typically fall into this category. Main guarantor types are banks, export credit agencies and other public-sector undertakings and insurance companies whose obligations are mostly recognized via PD-substitution. Also, corporate clients play an important role in providing declarations of liability. Guarantees and strong letters of comfort provided by correlated group members of customers (generally the parent company) are accepted and used for risk transfer in approved rating scorecards. Guarantee collateral with a non-investment grade rating of the guarantor is limited.

Risk concentrations within credit risk mitigation

Article 453 (e) CRR
Concentrations within credit risk mitigations taken may occur if a number of guarantors and credit derivative providers with similar economic characteristics are engaged in comparable activities with changes in economic or industry conditions affecting their ability to meet contractual obligations. Concentration risk may also occur in collateral portfolios (e.g., multiple claims and receivables against third parties) which are considered conservatively within the valuation process and/or on-site inspections where applicable. DB Group and the Bank use a range of tools and metrics to monitor concentrations in its credit risk mitigating activities and initiate respective actions if deemed necessary.

General quantitative information on credit risk mitigation

Overview of credit risk mitigation techniques

Article 453 (f) CRR
The table EU CR3 below shows a breakdown of unsecured and secured credit risk exposures and credit risk exposures secured by various credit risk mitigants for all loans and debt securities including the carrying amounts of the total population which are in default. Exposures unsecured (column a) represent the carrying amount of credit risk exposures (net of credit risk adjustments) that do not benefit from a credit risk mitigation technique, regardless of whether this technique is recognized in the CRR. Exposures secured (column b) represent the carrying amount of exposures that have at least one credit risk mitigation mechanism (collateral, financial guarantees, credit derivatives) associated with them. Exposure secured by various credit risk mitigants (column c-e) are the carrying amount of exposures (net of credit risk adjustments) partly or totally secured by collateral, financial guarantees and credit derivatives, whereby only the secured portion of the overall exposure is presented. The allocation of the carrying amount of multi-secured exposures to their different credit risk mitigation mechanisms is made by order of priority, starting with the credit risk mitigation mechanism expected to be called first in the event of a loss, and within the limits of the carrying amount primarily observed of the secured exposures. Moreover, no overcollateralization is considered.

EU CR3 – Credit Risk Mitigation techniques – Overview: Disclosure of the use of credit risk mitigation techniques

						Dec 31, 2023
		a	b	c	d	e
in € m.		Exposures unsecured: Carrying amount	Exposures secured: Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and advances	20,418	11,835	5,036	6,799	465
2	Debt securities	0	5	0	5	0
3	Total	20,418	11,840	5,036	6,804	465
4	Of which non-performing exposures	33	972	772	201	0
EU-5	Of which defaulted	33	972	0	0	0

Quantitative information on the use of the standardized approach

Standardized approach exposure by risk weight before and after credit mitigation

Article 444 (e) CRR and Article 453 (g)-(i) CRR
The table below shows the credit risk exposure before, and post credit conversion factors and credit risk mitigation obtained in the form of eligible financial collateral, guarantees and credit derivatives based on the EAD in the standardized approach as well as related RWA and average risk weights broken down by regulatory exposure classes and a split into on- and off-balance sheet exposures.

EU CR4 – Standardized approach – credit risk exposure and credit risk mitigation (CRM) effects

							Dec 31, 2023
		a	b	c	d	e	f
	in € m.	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	Exposure classes	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWAs density (in %)
1	Central governments or central banks	5,521	0	5,580	21	78	1.39
2	Regional government or local authorities	0	0	183	0	37	20.00
3	Public sector entities	0	0	0	0	0	0.00
4	Multilateral development banks	0	0	0	0	0	20.00
5	International organisations	0	0	0	0	0	0.00
6	Institutions	8,618	663	8,726	1,280	2,486	24.84
7	Corporates	14,764	52,044	14,010	27,740	37,086	88.83
8	Retail	11	175	15	70	63	75.00
9	Secured by mortgages on immovable property	2,399	244	2,374	122	2,272	91.04
10	Exposures in default	1,006	12	1,000	5	1,315	130.90
11	Exposures associated with particularly high risk	0	0	0	0	0	0.00
12	Covered bonds	0	0	0	0	0	0.00
13	Institutions and corporates with a short-term credit assessment	0	0	0	0	0	0.00
14	Collective investment undertakings	0	0	0	0	0	0.00
15	Equity	1	0	1	0	1	250.00
16	Other items	239	0	670	2	196	29.09
17	Total	32,558	53,138	32,558	29,240	43,534	70.45

The RWA for credit risk in the standardized approach were at € 43.5 billion as of December 31, 2023, compared to € 39.5 billion as of December 31, 2022. The increase of € 4.0 billion was primarily driven by increased loan exposure and commitments driven by positive business development.

In the following tables, the EAD per regulatory exposure class are assigned to their standardized risk weights. Deducted or unrated items are split out separately. The exposures are shown after the shift to the exposure class of the protection seller, if applicable.

EU CR5 – Standardized approach

																	Dec 31, 2023	
	in € m.	Risk weight															Total	Of which unrated
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure classes	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
1	Central governments or central banks	5,461	0	0	0	77	0	0	0	0	62	0	0	0	0	0	5,601	62
2	Regional government or local authorities	0	0	0	0	183	0	0	0	0	0	0	0	0	0	0	183	0
3	Public sector entities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Multilateral development banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	International organisations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Institutions	0	0	0	0	8,390	0	1,616	0	0	0	0	0	0	0	0	10,006	91
7	Corporates	0	0	0	0	1,808	0	7,184	0	0	32,009	749	0	0	0	0	41,750	21,160
8	Retail exposures	0	0	0	0	0	0	0	0	85	0	0	0	0	0	0	85	85
9	Exposures secured by mortgages on immovable property	0	0	0	0	0	344	0	0	0	2,152	0	0	0	0	0	2,496	550
10	Exposures in default	0	0	0	0	0	0	0	0	0	384	621	0	0	0	0	1,005	998
11	Exposures associated with particularly high risk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Covered bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Exposures to institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Units or shares in collective investment undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity exposures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Other items	409	0	0	0	97	0	0	0	0	159	0	7	0	0	0	672	225
17	Total	5,870	0	0	0	10,556	344	8,800	0	85	34,766	1,370	7	0	0	0	61,798	23,171

Total IRB exposure covered by credit derivatives

Article 453 (j) CRR
The Bank only applies the standardized approach for risk weighted assets. Hence the Articles 452(b),(g),(h) and 453 (g),(j) including their respective tables are not applicable for the Bank.

Specialized lending and equity exposures in the banking book

Article 438 (e) CRR
The Bank does not report any specialized lending and equity exposures in the banking book.

Liquidity risk

Risk management objectives and policies

Liquidity risk management strategies and processes

Article 435 (1)(a) CRR (EU OVA & EU LIQA)
The Bank follows DB Group's liquidity risk management principles being documented in the "Liquidity Risk Management Policy" and the framework is described in the "Global Liquidity Risk Framework" and "Global Funding Risk Framework" documents. Both the policy and framework documents adhere to and articulate how the eight key risk management practices are applied to liquidity risk, namely risk governance, risk organization (3 lines of defence), risk culture, risk appetite and -strategy, risk identification and -assessment, risk mitigation and controls, risk measurement and reporting, stress planning and -execution. The individual roles and responsibilities within the Bank`s liquidity risk management framework are laid out and documented in the local Liquidity Management Procedure, which provides further clarity and transparency on the roles and responsibilities across all involved stakeholders.

Liquidity risk management structure and organization

Article 435 (1) (b) CRR (EU OVA & EU LIQA)
The Management Board and Supervisory Board define the liquidity and funding risk strategy for the Bank as well as the risk appetite, based on recommendations made by the ALCo. The Management Board and Supervisory Board review and approve the risk appetite at least annually.

The liquidity managing functions are organized in alignment with the three lines of defence structure, which is described in DB Group's Risk Management Policy and the Risk Management Framework of the Bank. The Corporate Divisions and Treasury comprise the first line of defence, responsible for executing the steps needed to most effectively manage the Bank's liquidity position. Risk comprises the second line of defence, responsible for providing independent risk oversight, challenge, and validation of activities conducted by the first line of defence including establishing the risk appetite and ensuring the alignment with Group level control standards. Group Audit comprises the third line of defence, responsible for overseeing the activities of both the first and second line of defence.

Scope and nature of liquidity risk measurement and reporting system

Article 435 (1) (c) CRR (EU OVA & EU LIQA)
The Bank's Finance department has overall accountability for the accurate and timely production of the external regulatory liquidity reporting (Pillar 1) while DB Group's Liquidity & Treasury Reporting & Analysis (Group LTRA) function is accountable for the internal liquidity metrics reporting (Pillar 2).

Policies for hedging and mitigating liquidity risk

Article 435 (1) (d) CRR (EU OVA & EU LIQA)
The Bank follows DB Group's liquidity risk management principles being documented in the global "Liquidity Risk Management Policy" and the framework is described in the "Global Liquidity Risk Framework" and "Global Funding Risk Framework" documents. All additional policies and procedures (both global and local) issued by the liquidity risk management functions further define the requirements specific to liquidity risk practices. They are subordinate to the "Liquidity Risk Management Policy" and are subject to the standards it sets forth.

Approach to centralized group liquidity management and individual legal entity liquidity management

The Bank ensures that all local liquidity metrics are managed in compliance with the defined risk appetite. Local liquidity surpluses are pooled in Deutsche Bank AG. Frankfurt Branch and local liquidity shortfalls can be met through support from Deutsche Bank AG. Frankfurt Branch. Transfers of liquidity capacity between DB Group entities are subject to the approval framework outlined in the "Intercompany Funding Policy" involving the Group's liquidity steering function as well as the Bank's liquidity managers.

The Bank's contingency funding plan

The Bank’s Contingency Funding Plan (CFP) outlines how the Bank would respond to an actual or anticipated liquidity stress event. It includes a decisive set of actions that can be taken to raise cash and recover the Bank’s key liquidity metrics in times of liquidity stress. The CFP includes a clear governance structure and well-defined liquidity risk indicators to ensure timely and effective decision-making, communication, and coordination during a liquidity stress event. The Management Board of the Bank has mandated the ALCo for oversight of capital and liquidity across contingency, recovery, and resolution scenarios in a crisis situation.

Liquidity stress testing and scenario analysis

DB Group internal liquidity stress testing methodology and scenario analysis is used for measuring liquidity risk and evaluating the Bank’s short-term liquidity position within the liquidity framework. This complements the daily operational cash management process. The long-term liquidity strategy based on contractual and behavioural modelled cash flow information is represented by a long-term metric known as the Funding Matrix (refer to Funding Risk Management below).

The liquidity stress testing process is managed by Treasury in accordance with the Management Board and Supervisory Board approved risk appetite. DB Group’s Treasury is responsible for the design of the overall methodology, the choice of liquidity risk drivers and the determination of appropriate assumptions (parameters) to translate input data into stress testing output. The applicability of the DB Group methodology for the local stress testing is reviewed at least on a yearly basis by local Risk Control Function in cooperation with the DB Group LRM function. Results are presented to the ALCo and approved by the Management Board. DB Group LRM is responsible for the definition of the stress scenarios. Under the principles laid out by DB Group Model Risk Management, DB Group LRM performs the independent validation of liquidity risk models and non-model estimates. DB Group LTRA is responsible for implementing these methodologies and performing the stress test calculation in conjunction with local Treasury, local Risk, DB Group LRM and IT.

Stress testing and scenario analysis are used to evaluate the impact of sudden and severe stress events on the Bank’s liquidity position. DB Group has selected four scenarios to calculate the DB Group’s and the Bank’s stressed Net Liquidity Position (“sNLP”). These scenarios are designed to capture potential outcomes which may be experienced by the Bank during periods of idiosyncratic and/or market-wide stress and are designed to be both plausible and sufficiently severe as to materially impact the DB Group’s liquidity position. The most severe scenario assesses the potential consequences of a combined market-wide and idiosyncratic stress event, including downgrades of the Bank’s credit rating. Under each of the scenarios the impact of a liquidity stress event over different time horizons and across multiple liquidity risk drivers, covering all business lines, product areas and balance sheet is considered.

In addition, potential funding requirements from contingent liquidity risks which might arise under stress, including drawdowns on credit facilities, increased collateral requirements under derivative agreements, and outflows from deposits with a contractual rating linked trigger are included in the analysis. Subsequently countermeasures, which are the actions the Bank would take to counterbalance the outflows incurred during a stress event, are taken into consideration. Those countermeasures include utilizing the Bank’s Liquidity Reserve and generating liquidity from other unencumbered, marketable assets without causing any material impact on the Bank’s business model.

Stress testing is conducted covering an eight-week stress horizon which is considered the most critical time span during a liquidity crisis and, where liquidity is actively steered and assessed. Ad-hoc analysis may be conducted to reflect the impact of potential downside events that could affect the Bank such as the COVID-19 pandemic. Relevant stress assumptions are applied to reflect liquidity flows from risk drivers and on-balance sheet and off-balance sheet products. The suite of stress testing scenarios and assumptions are reviewed on a regular basis and are updated when enhancements are made to stress testing methodologies.

Complementing daily liquidity stress testing, DB Group also conducts regular Group Wide Stress Testing (GWST) run by Group Enterprise Risk Management (ERM) analysing liquidity risks in conjunction with the other defined risk types and evaluating their impact and interplay to both capital and liquidity positions. The Bank’s data is integrated in the GWST.

Qualitative information on LCR

Article 451a CRR (EU LIQB)

The Liquidity Coverage Ratio (LCR)

The LCR is intended to promote the short-term resilience of a bank’s liquidity risk profile over a 30 day stress scenario. The ratio is defined as the amount of High Quality Liquid Assets (“HQLA”) that could be used to raise liquidity, measured against the total volume of net cash outflows, arising from both contractual and modelled exposures, in a stressed scenario.

This requirement has been implemented by the Commission's Delegated Regulation (EU) 2015/61, adopted in October 2014. Compliance with the LCR was required in the EU from October 1, 2015.

The Bank's average LCR of 149 % (twelve months average) has been calculated in accordance with the Delegated Regulation (EU) 2015/61 and the EBA Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 CRR.

The Bank's Liquidity Coverage Ratio (LCR) was 149 % as of December 31, 2023, or € 1.8 billion of excess over the regulatory minimum of 100 %.

Concentration of funding and liquidity sources

The business strategy of the Bank as mid- and long-term lending hub for Europe in the interest of DB Group with Deutsche Bank AG as the main funding provider results in certain concentration risk towards the parent of the Bank.

Besides funding from DB Group, the Bank has access to stable funding sources stemming from Private Bank clients, either as deposits from the own customer franchise or fiduciary deposits received from Deutsche Bank (Suisse) S.A. The Bank is working on broadening the deposit base to Corporate Bank term deposits from corporate and institutional clients in 2024.

Composition of HQLA

The average HQLA of € 5.6 billion has been calculated in accordance with the Commission Delegated Regulation (EU) 2015/61 and the EBA Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 CRR.

The HQLA as of December 31, 2023 of € 5.4 billion is held in Level 1 cash and central bank reserves (100 %).

Currency mismatch in the LCR

The LCR is calculated for EUR, USD and GBP which have been identified as significant currencies (having liabilities > 5 % of total Bank liabilities excluding regulatory capital and off-balance sheet liabilities) in accordance with the Commission Delegated Regulation (EU) 2015/61. No explicit LCR risk appetite is set for the significant currencies.

Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile

The Pillar 3 disclosure obligations require banks to disclose the 12 months rolling averages each quarter. The Bank does not consider anything else relevant for disclosure.

Quantitative information on LCR

Article 451a CRR

EU LIQ1 – Quantitative information of LCR

	in € m.	Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
EU 1b	Number of data points used in the calculation of averages	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
	High-quality liquid assets								
1	Total high-quality liquid assets (HQLA)	0	0	0	0	5,622	5,417	5,243	5,039
	Cash - outflows								
2	Retail deposits and deposits from small business customers, of which:	869	861	846	792	99	104	107	104
3	Stable deposits	0	0	0	0	0	0	0	0
4	Less stable deposits	523	555	584	577	99	104	107	104
5	Unsecured wholesale funding	4,320	4,185	4,113	4,124	4,108	3,977	3,891	3,909
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0	0	0	0	0
7	Non-operational deposits (all counterparties)	4,320	4,185	4,113	4,124	4,108	3,977	3,891	3,909
8	Unsecured debt	0	0	0	0	0	0	0	0
9	Secured wholesale funding	0	0	0	0	0	0	0	0
10	Additional requirements	44,539	44,189	43,583	42,900	10,859	10,669	10,301	9,756
11	Outflows related to derivative exposures and other collateral requirements	302	292	248	197	302	292	248	197
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	44,236	43,897	43,335	42,703	10,556	10,378	10,053	9,559
14	Other contractual funding obligations	376	377	360	366	34	33	17	16
15	Other contingent funding obligations	8,043	7,809	7,584	7,277	0	0	0	0
16	Total cash outflows	0	0	0	0	15,099	14,784	14,316	13,785
	Cash - inflows								
17	Secured lending (e.g. reverse repos)	0	0	0	0	0	0	0	0
18	Inflows from fully performing exposures	14,200	13,844	13,338	12,949	12,062	11,757	11,286	10,827
19	Other cash inflows	88	87	69	64	88	87	69	64
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)	0	0	0	0	0	0	0	0
20	Total cash inflows	14,288	13,931	13,407	13,013	12,150	11,845	11,355	10,891
EU-20a	Fully exempt inflows	0	0	0	0	0	0	0	0
EU-20b	Inflows subject to 90% cap	0	0	0	0	0	0	0	0
EU-20c	Inflows subject to 75% cap	14,288	13,931	13,407	13,013	12,150	11,845	11,355	10,891
	Total adjusted value								
EU-21	Liquidity buffer	0	0	0	0	5,622	5,417	5,243	5,039
22	Total net cash outflows	0	0	0	0	3,775	3,696	3,579	3,446
23	Liquidity coverage ratio (%)	-	-	-	-	148.92	146.67	146.77	146.68

Net Stable Funding Ratio

The NSFR requires banks to maintain a stable funding profile in relation to its on- and off-balance sheet activities. The ratio is defined as the amount of available stable funding (the portion of capital and liabilities expected to be a stable source of funding), relative to the amount of required stable funding (a function of the liquidity characteristics of various assets held).

The Bank´s Net Stable Funding Ratio (NSFR) as of December 31, 2023, calculated in accordance with the CRR2 was 128 %, or a surplus of € 3.2 billion over the regulatory minimum of 100 %.

EU LIQ2 – Net stable funding ratio template

In accordance with Article 451a(3) CRR

						Dec 31, 2023
		a	b	c	d	e
		Unweighted value by residual maturity				
in € m.		No maturity	< 6 months	6 months to < 1yr	>= 1yr	Weighted value
	Available stable funding (ASF) Items					
1	Capital items and instruments	5,371	0	0	900	6,271
2	Own funds	5,371	0	0	900	6,271
3	Other capital instruments	0	0	0	0	0
4	Retail deposits	0	721	108	0	746
5	Stable deposits	0	0	0	0	0
6	Less stable deposits	0	721	108	0	746
7	Wholesale funding:	0	16,302	982	7,100	7,789
8	Operational deposits	0	0	0	0	0
9	Other wholesale funding	0	16,302	982	7,100	7,789
10	Interdependent liabilities	0	0	0	0	0
11	Other liabilities:	18	969	0	0	0
12	NSFR derivative liabilities	18	0	0	0	0
13	All other liabilities and capital instruments not included in the above categories	0	969	0	0	0
14	Total available stable funding (ASF)	0	0	0	0	14,807
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)	0	0	0	0	0
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool	0	0	0	0	0
16	Deposits held at other financial institutions for operational purposes	0	0	0	0	0
17	Performing loans and securities:	0	24,081	349	1,301	8,083
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut	0	0	0	0	0
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions	0	13,347	280	788	2,263
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	0	10,618	68	499	5,809
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	88	29	88	148
22	Performing residential mortgages, of which:	0	116	0	1	0
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk	0	65	0	0	0
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products	0	0	0	13	11
25	Interdependent assets	0	0	0	0	0
26	Other assets:	0	1,364	0	74	1,196
27	Physical traded commodities	0	0	0	58	50
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	0	0	0	0	0
29	NSFR derivative assets	0	0	0	0	0
30	NSFR derivative liabilities before deduction of variation margin posted	0	38	0	0	2
31	All other assets not included in the above categories	0	1,326	0	16	1,144
32	Off-balance sheet items	0	4,083	3,124	38,775	2,310
33	Total RSF	0	0	0	0	11,589
34	Net Stable Funding Ratio (%)	-	-	-	-	127.77

Compensation of the employees

The content of the 2023 Employee Compensation Report is based on the qualitative and quantitative remuneration disclosure requirements outlined in Article 450 No. 1 (a) to (j) CRR in conjunction with Section 16 of the Remuneration Ordinance for Institutions (*Institutsvergütungsverordnung* – InstVV).

Regulatory environment

DB Group's Compensation Strategy is subject to the Capital Requirements Regulation/Directive (CRR/CRD), as transposed into German law in the German Banking Act and InstVV. These rules apply to all Deutsche Bank AG subsidiaries and branches world-wide to the extent required in accordance with Section 27 InstVV. As a Significant Institution within the meaning of InstVV, the Bank identifies all employees whose work is deemed to have a material impact on the overall risk profile (Material Risk Takers or MRTs) in accordance with the criteria stipulated in the German Banking Act and in the Commission Delegated Regulation 2021/923 at a Group level, at the level of each Significant Institution and, in accordance with the German Banking Act, for all CRR institutions at a solo level.

Furthermore DB Group takes into account the regulations targeted at employees who engage directly or indirectly with the Bank's clients, for instance as per the local transpositions of the Markets in Financial Instruments Directive II – MiFID II. Accordingly, specific provisions for employees deemed to be Relevant Persons are implemented with a view to ensuring that they act in the best interest of the Bank's clients.

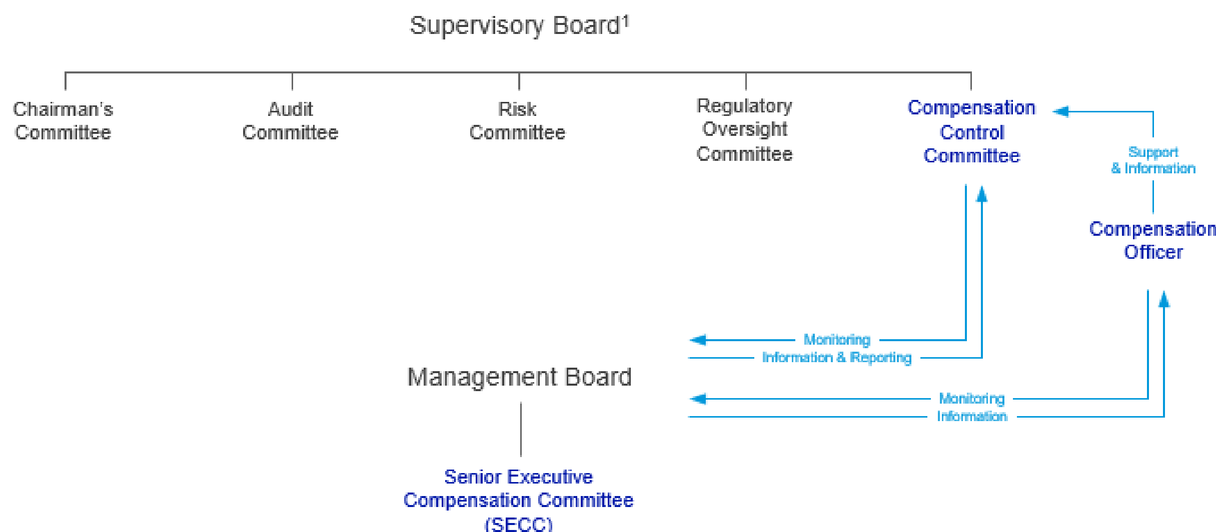
Where applicable, DB Group is also subject to specific rules and regulations implemented by local regulators. Many of these requirements are aligned with the InstVV. However, where variations are apparent, proactive and open discussions with regulators have enabled the Bank to follow the local regulations whilst ensuring that any impacted employees or locations remain within the Bank's overall Group Compensation Framework. This includes, amongst others, the compensation structures applied to Covered Employees in the United States under the requirements of the Federal Reserve Board as well as the requirements related to compensation recovery for executive officers in the event of an accounting restatement as required by the U.S. Securities and Exchange Commission. In any case, the InstVV requirements are applied as minimum standards globally.

Compensation governance

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

In line with their responsibilities, the Bank's control functions are involved in the design and application of the Bank's remuneration systems, in the identification of MRTs and in determining the total amount of VC. This includes assessing the impact of employees' behaviour and the business-related risks, performance criteria, granting of remuneration and severances as well as ex-post risk adjustments.

Reward governance structure



[1] Does not comprise a complete list of Supervisory Board Committees

Compensation Control Committee (CCC)

The Supervisory Board has set up the CCC to support in establishing and monitoring the structure of the compensation system for the Management Board Members of Deutsche Bank AG. Furthermore, the CCC monitors the appropriateness of the compensation systems for the employees of DB Group, as established by the Management Board and the SECC. The CCC reviews whether the total amount of variable compensation is affordable and set in accordance with the risk, capital and liquidity situation as well as in alignment with the business and risk strategies. Furthermore, the CCC supports the Supervisory Board in monitoring the MRT identification process.

The CCC consists of the Supervisory Board Chairperson as well as two other Supervisory Board Members representing shareholders and three Supervisory Board Members representing employees. The Committee held seven meetings in the calendar year 2023. The members of the Risk Committee attended two meetings as guests, the Chairperson of the Risk Committee attended four meetings as guest. The Chairperson of the CCC is also a member of the Risk Committee. Further details can be found in the Report of the Supervisory Board within the Annual Report.

Compensation Officer

The Management Board, in cooperation with the CCC, has appointed a Group Compensation Officer to support the Supervisory Boards of Deutsche Bank AG and of the Bank's Significant Institutions in Germany in performing their compensation related duties. The Compensation Officer is involved in the conceptual review, development, monitoring and application of the employees' compensation systems, the MRT identification and remuneration disclosures on an ongoing basis. The Compensation Officer performs all relevant monitoring obligations independently, provides an assessment on the appropriateness of the design and strategy of the compensation systems for employees at least annually and regularly supports and advises the CCC.

Senior Executive Compensation Committee (SECC)

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

In order to maintain its independence, only representatives from infrastructure and control functions who are not aligned to any of the business divisions are members of the SECC. In 2023, the SECC's membership comprised of Deutsche Bank AG's Management Board member responsible for Human Resources and the Chief Financial Officer as Co-Chairpersons, the Head of Compliance, the Head of Performance & Reward as well as an additional representative from both Finance and Risk as voting members. The Compensation Officer, the Deputy Compensation Officer and an additional representative from Finance participated as non-voting members. The SECC generally meets on a monthly basis but with more frequent meetings during the compensation process. It held 19 meetings in total with regard to the compensation process for the performance year 2023.

Compensation and Benefits Strategy

DB Group recognizes that its compensation framework plays a vital role in supporting its strategic objectives. It enables the Bank to attract and retain the individuals required to achieve the DB Group objectives. The Compensation and Benefits Strategy is built on three core pillars that support DB Group's global, client-centric business and risk strategy, reinforced by safe and sound compensation practices that operate within DB Group's profitability, solvency, and liquidity position.

Principles	Performance	Processes
– Support the delivery of our sustainable growth **strategy as a Global Hausbank** – Align with **clients' and shareholder interests** and manage costs effectively – **Prevent inappropriate risk taking** and taking into account various risk types including Environmental, Social and Governance (**ESG) risk** – **Attract** and **retain best talent** by having market-aligned and competitive frameworks and processes – Support our **culture aspirations,** incl. promotion of a **strong risk and "speak up" culture**	– Create an environment for **motivated**, **engaged** and **committed** employees – Strong link between performance and pay outcomes to foster a **sustainable performance culture** – Apply and promote the bank's **corporate Values and Beliefs** and the **Code of Conduct** and apply **appropriate consequences for failing to meet required standards**	Processes designed to: – Foster a gender-neutral approach, be **simple and transparent** and ensure **equity and fairness** – Ensure compliance with legal and **regulatory** requirements – Prevent inappropriate risk-taking by incorporating **risk management** measures

Group Compensation Framework

The compensation framework, generally applicable globally across all regions and business lines, emphasizes an appropriate balance between Fixed Pay (FP) and Variable Compensation (VC) – together forming Total Compensation (TC). It aligns incentives for sustainable performance at all levels of DB Group whilst ensuring the transparency of compensation decisions and their impact on shareholders and employees. The underlying principles of the compensation framework are applied to all employees equally, irrespective of differences in seniority, tenure, gender or ethnicity.

Pursuant to CRD and the requirements subsequently adopted in the German Banking Act, DB Group is subject to a maximum ratio of 1:1 with regard to fixed-to-variable remuneration components, which was increased to 1:2 for a limited population with shareholder approval on May 22, 2014 with an approval rate of 95.27%, based on valid votes by 27.68 % of the share capital represented at the Annual General Meeting. Nonetheless, Deutsche Bank AG has determined that employees in specific infrastructure functions (such as Legal, Group Tax and Human Resources) should in general continue to be subject to a maximum ratio of 1:1 while Control Functions as defined by InstVV are subject to a maximum ratio of 2:1. These Control Functions comprise Risk, Compliance, Anti-Financial Crime, Group Audit and the Compensation Officer and his Deputy.

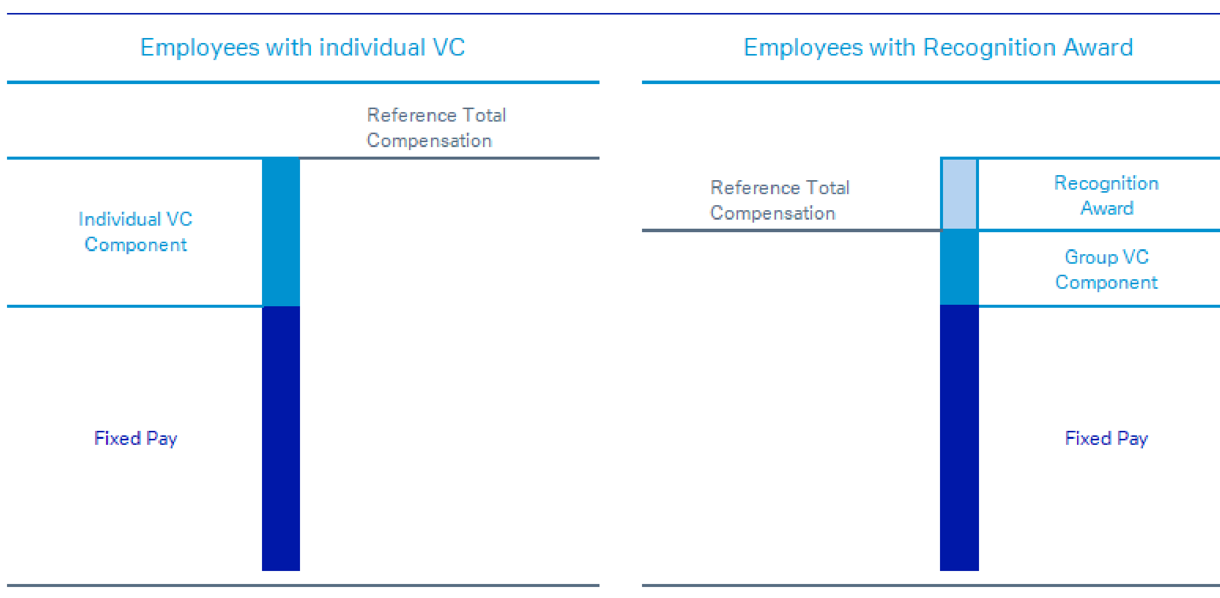
The Bank has assigned a Reference Total Compensation (RTC) to eligible employees that describes a reference value for their role. This value provides employees with orientation on their FP and VC. Actual individual TC can be at, above or below the Reference Total Compensation, depending on VC decisions.

Fixed Pay is used to compensate employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role. The appropriate level of FP is determined with reference to the prevailing market

rates for each role, internal comparisons and applicable regulatory requirements. FP plays a key role in order to attract and retain the right talent. For the majority of employees, FP is the primary compensation component.

Variable Compensation reflects affordability and performance at Group, divisional, and individual level. It allows DB Group to differentiate individual performance and to drive behaviour through appropriate incentives that can positively influence culture. It also allows for flexibility in the cost base. For most employees globally, VC is granted as Individual VC and considers the applicable divisional and the employee's individual performance, conduct, and adherence to values and beliefs. In addition, it is subject to DB Group affordability and linked to DB Group performance. Employees who are not eligible for an award of Individual VC are granted a Group VC Component and may be nominated for a Recognition Award (where applicable). The Group VC Component reflects the Bank's annual achievements in reaching its strategic targets whilst Recognition Awards provide the opportunity to acknowledge and reward outstanding contributions made by the employees of lower seniority levels in a timely and transparent manner.

Key components of the compensation framework



In the context of InstVV, severance payments are considered variable compensation. The Bank's severance framework ensures full alignment with the respective InstVV requirements.

Employee benefits complement Total Compensation and are considered FP from a regulatory perspective, as they have no direct link to performance or discretion. They are granted in accordance with applicable local market practices and requirements. Pension expenses represent the main element of the DB Group's benefits portfolio globally.

Employee groups with specific compensation structures

For some areas of the Bank, compensation structures apply that deviate, within regulatory boundaries, in some aspects from the Group Compensation Framework outlined above.

Tariff staff

Within the Bank there are 133 tariff employees (based on full-time equivalent). Tariff staff are subject to a collective agreement (*Collective Bargaining Agreement for Bank Employees*), as negotiated between trade unions and the Luxembourg Banker's Association (*ABBL*). The remuneration of tariff staff is included in the quantitative disclosures in this Report.

Determination of performance-based variable compensation

DB Group puts a strong focus on its governance related to compensation decision-making processes. A robust set of rule-based principles for compensation decisions with close links to the performance of both business and individual were applied.

The total amount of VC for any given performance year is derived from an assessment of the Bank's profitability, solvency, and liquidity position, and the determination of VC pools for divisions and infrastructure functions based on their performance in support of achieving the Bank's strategic objectives.

In a first step, Deutsche Bank AG assesses its profitability, solvency and liquidity position in line with its Risk Appetite Framework, including a holistic review against the Bank's multi-year strategic plan to determine what the Bank "can" award in line with regulatory requirements (i.e., Group affordability). During this assessment, Deutsche Bank AG also considers other limitations such as cost constraints. The proportion of the VC pools that is related to DB Group performance is determined based on the performance of a selected number of DB Group's KPIs, such as Common Equity Tier 1 (CET 1) Capital Ratio, Cost/Income Ratio (CIR), Post-Tax Return on Tangible Equity (RoTE), ESG – Sustainable Finance Volume, Gender Diversity and Control Risk Management Grade. In the next step, Deutsche Bank AG assesses divisional risk-adjusted performance, i.e., what Deutsche Bank AG "should" be award in order to provide an appropriate compensation for contributions to Deutsche Bank AG's success.

When assessing divisional performance, a range of considerations are referenced. Performance is assessed in the context of financial and – based on Balanced Scorecards – non-financial targets. The financial targets for front-office divisions are subject to appropriate risk-adjustment, in particular by referencing the degree of future potential risks to which DB Group may be exposed, and the amount of capital required to absorb severe unexpected losses arising from these risks. For the infrastructure functions, the financial performance assessment is mainly based on the achievement of cost targets. While the allocation of VC to infrastructure functions, and in particular to control functions, depends on both Deutsche Bank AG's overall and their own performance, it is not dependent on the performance of the division(s) that these functions oversee.

At the level of the individual employee, the Variable Compensation Guiding Principles are established, which detail the factors and metrics that have to be taken into account when making Individual VC decisions. Managers must fully appreciate the risk-taking activities of individuals to ensure that VC allocations are balanced and risk-taking is not inappropriately incentivized. The factors and metrics to be considered include, but are not limited to, (i) business delivery ("What"), i.e. quantitative and qualitative financial, risk-adjusted and non-financial performance metrics, and (ii) behaviour ("How"), i.e. culture, conduct and control considerations such as qualitative inputs from control functions or disciplinary sanctions. Generally, performance is assessed based on a one-year period. However, for Management Board members of Significant Institutions, the performance across three years is taken into account.

Variable compensation structure

The compensation structures are designed to provide a mechanism that promotes and supports long-term performance of employees and the Bank. Whilst a portion of VC is paid upfront, these structures require that an appropriate portion is deferred to ensure alignment to the sustainable performance of the Group. For both parts of VC, Deutsche Bank AG shares are used as instruments and as an effective way to align compensation with Deutsche Bank AG's sustainable performance and the interests of shareholders.

Deutsche Bank AG continues to go beyond regulatory requirements with the scope as well as the amount of VC that is deferred and the minimum deferral periods for certain employee groups. The deferral rate and period are determined based on the risk categorization of the employee as well as the business unit. Where applicable, Deutsche Bank AG starts to defer parts of variable compensation for MRTs where VC is set at or above € 50,000 or where VC exceeds 1/3 of TC. For non-MRTs, deferrals start at higher levels of VC. MRTs are on average subject to deferral rates in excess of the minimum 40 % (60 % for Senior Management) as required by InstVV. For MRTs in Material Business Units (MBU) the Bank applies a deferral rate of at least 50 %. The VC threshold for MRTs requiring at least 60 % deferral is set at € 500,000. Moreover, for all employees whose FP exceeds the amount of € 500,000, the full amount of the VC is deferred.

As detailed in the table below, deferral periods range from three to five years, dependent on employee groups.

Overview on 2023 award types

Award Type	Description	Beneficiaries	Deferral Period	Retention Period	Portion
Upfront: Cash VC	Upfront cash	All eligible employees	N/A	N/A	100% of VC, except employees with deferred awards
Upfront: Equity Upfront Award (EUA)	Upfront equity (linked to Deutsche Bank AG's share price over the retention period)	MRTs with VC ⩾ € 50,000 or where VC exceeds 1/3 of TC Non-MRTs with deferred awards where 2023 TC > € 500,000	N/A	12 months	50% of upfront VC
Deferred: Restricted Incentive Award (RIA)	Deferred cash	All employees with deferred VC	Equal tranche vesting: MRTs: 4 years Senior Mgmt.[1]: 5 years Non-MRTs: 3 years	N/A	50% of deferred VC
Deferred: Restricted Equity Award (REA)	Deferred equity (linked to Deutsche Bank AG's share price over the vesting and retention period)	All employees with deferred VC	Equal tranche vesting: MRTs: 4 years Senior Mgmt.[1]: 5 years Non-MRTs: 3 years	12 months for MRTs	50% of deferred VC

N/A – Not applicable
[1] For the purpose of Performance Year 2023 annual awards, Senior Management is defined as Deutsche Bank AG MB-1 positions; voting members of Business Division Top Executive Committees; MB members of Significant Institutions; respective MB-1 positions with managerial responsibility; for the specific deferral rules for the Management Board of Deutsche Bank AG refer to the Compensation Report for the Management Board

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

Ex-post risk adjustment of variable compensation

In line with regulatory requirements relating to ex-post risk adjustment of variable compensation, Deutsche Bank AG believes that a long-term view on conduct and performance of its employees is a key element of deferred VC. As a result, under the Management Board's oversight, all deferred awards are subject to performance conditions and forfeiture provisions as detailed below.

Overview on DB Group performance conditions and forfeiture provisions of variable compensation granted for Performance Year 2023

Provision	Description	Forfeiture
Solvency and Liquidity	– If at the quarter end preceding vesting and release, any one of the following falls below a defined Risk Appetite threshold: CET1 Capital Ratio; Leverage Ratio; Economic Capital Adequacy Ratio; Liquidity Coverage Ratio; High Quality Liquid Assets (HQLA)	– Between 10% and 100% of the next tranche of deferred award due for delivery / of the Equity Upfront Award, depending on the Risk Appetite threshold and the extent the Group / Divisional PBT condition(s) is/ are met
Group PBT	– If for the financial year end preceding the vesting date adjusted Group PBT is negative[1]	– Between 10% and 100% of the next tranche of deferred award due for delivery, depending on the extent Solvency and Liquidity condition is met and whether Divisional PBT condition is met (if applicable)
Divisional PBT	– If for the financial year end preceding the vesting date adjusted Divisional PBT is negative[1]	– Between 10% and 100% of the next tranche of deferred award due for delivery, depending on the extent Solvency and Liquidity condition is met and whether Group PBT condition is met
Forfeiture Provisions[2]	– In the event of an internal policy or procedure breach, breach of any applicable laws or regulations, or a Control Failure – If any award was based on performance measures or assumptions that are later deemed to be materially inaccurate – Where a Significant Adverse Event occurs, and the Participant is considered sufficiently proximate – If forfeiture is required to comply with prevailing regulatory requirements	– Up to 100% of undelivered awards
Clawback	– In the event an InstVV MRT participated in conduct that resulted in significant loss or regulatory sanction/supervisory measures; or failed to comply with relevant external or internal rules regarding appropriate standards of conduct – in relation to a competent regulatory authority or other legal requirements	– 100% of award which has been delivered, before the second anniversary of the last vesting date for the award

[1] Considering clearly defined and governed adjustments for relevant Profit and Loss items (e.g., business restructurings; impairments of goodwill or intangibles)
[2] Other provisions may apply as outlined in the respective plan rules.

Compensation decisions for 2023

Year-end considerations and decisions for 2023

All compensation decisions are made within the boundaries of regulatory requirements. These requirements form the overarching framework for determining compensation at the Bank. In particular, management must ensure that compensation decisions are not detrimental to maintaining the Bank's sound capital base and liquidity reserves.

As part of the overall 2023 VC awards granted in March 2024, the Group VC Component was awarded to all eligible employees in line with the assessment of the four defined KPI categories which are outlined in the Group Compensation Framework chapter of this Report. The Management Board determined a payout rate of 70 % for the Group VC Component in 2023, compared to 80 % in 2022 and 77.5 % in 2021.

Compensation awards for 2023 – all employees

									2023
in € m. (unless stated otherwise)[1]	Supervisory Board[2]	Management Board[3]	CB[3]	IB[3]	PB[3]	AM[3]	Control Functions[3]	Corporate Functions[3]	Bank Total
Number of employees (full-time equivalent)	0.0	3.0	98.4	7.0	108.8	0.0	24.8	76.7	318.7
Total compensation	**0,00**	**2,02**	**8,27**	**0,59**	**13,04**	**0,00**	**2,62**	**8,13**	**34,67**
Base salary and allowances	0,00	1,14	7,55	0,52	11,22	0,00	2,40	7,25	30,07
Pension expenses	0,00	0,18	0,03	0,01	0,28	0,00	0,02	0,04	0,55
Fixed Pay according to § 2 InstVV	**0,00**	**1,31**	**7,57**	**0,53**	**11,49**	**0,00**	**2,42**	**7,29**	**30,62**
Year-end performance-based VC[4]	0,00	0,50	0,57	0,06	1,51	0,00	0,18	0,70	3,52
Other VC[4]	0,00	0,00	0,03	0,00	0,03	0,00	0,02	0,03	0,11
Severance payments	0,00	0,21	0,11	0,00	0,00	0,00	0,00	0,10	0,42
Variable Pay according to § 2 InstVV	**0,00**	**0,71**	**0,70**	**0,06**	**1,55**	**0,00**	**0,20**	**0,83**	**4,05**

[1] The table may contain marginal rounding differences; FTE (full-time equivalent) as of December 31, 2023; shows remuneration awarded to all employees (including 2023 leavers).
[2] The Bank's Supervisory Board members who are DB Group employees do not receive any compensation in Luxembourg for their Supervisory Board membership duties.
[3] Management Board represents the Management Board Members of the Bank. CB = Corporate Bank; IB = Investment Bank including IB Operations (TSCO); PB = Private Bank; AM = Asset Management (not applicable for the Bank). Control Functions including Risk Management, Group Audit, Compliance and Anti-Financial Crime. Corporate Functions including any Infrastructure function which is neither captured as a Control Function nor part of any division.
[4] Year-end performance-based VC includes Individual and Group VC. Other VC includes other contractual VC commitments such as guaranteed awards, recognition awards and specific VC elements for tariff staff. The table does not include new hire replacement awards for lost entitlements from previous employers (buyouts).

Material Risk Taker compensation disclosure

14 employees were identified as MRTs according to InstVV for financial year 2023, compared to 13 employees for 2022. The remuneration elements for all those MRTs on a consolidated basis are detailed in the tables below in accordance with Article 450 CRR.

Remuneration for 2023 - Material Risk Takers (REM 1)

	in € m. (unless stated otherwise)[1]	Super-visory Board[2]	Manage-ment Board[3]	Senior Management[4]	Other Material Risk Takers	Bank Total
						2023
Fixed Pay	Number of MRTs[5]	0	3	2	9	14
	Total Fixed Pay	**0,00**	**1,31**	**0,52**	**1,45**	**3,29**
	of which: cash-based	0,00	1,14	0,46	1,38	2,99
	of which: shares or equivalent ownership interests	0,00	0,00	0,00	0,00	0,00
	of which: share-linked instruments or equivalent non-cash instruments	0,00	0,00	0,00	0,00	0,00
	of which: other instruments	0,00	0,00	0,00	0,00	0,00
	of which: other forms	0,00	0,18	0,06	0,07	0,30
Variable Pay	Number of MRTs[5]	0	3	1	9	13
	Total Variable Pay[6]	**0,00**	**0,71**	**0,04**	**0,38**	**1,13**
	of which: cash-based	0,00	0,46	0,04	0,23	0,73
	of which: deferred	0,00	0,19	0,00	0,06	0,25
	of which: shares or equivalent ownership interests	0,00	0,25	0,00	0,14	0,39
	of which: deferred	0,00	0,19	0,00	0,06	0,25
	of which: share-linked instruments or equivalent non-cash instruments	0,00	0,00	0,00	0,00	0,00
	of which: deferred	0,00	0,00	0,00	0,00	0,00
	of which: other instruments	0,00	0,00	0,00	0,00	0,00
	of which: deferred	0,00	0,00	0,00	0,00	0,00
	of which: other forms	0,00	0,00	0,00	0,00	0,00
	of which: deferred	0,00	0,00	0,00	0,00	0,00
	Total Pay	0,00	2,02	0,56	1,83	4,42

1 The table may contain marginal rounding differences.
2 The Bank's Supervisory Board members who are DB Group employees do not receive any compensation in Luxembourg for their Supervisory Board membership duties
3 Management Board represents the Management Board Members of the Bank.
4 Senior Management is defined as the Bank's MB-1 positions.
5 MRTs as of December 31, 2023; shows remuneration awarded to all MRTs (including 2023 leavers)
6 Total Variable Pay includes Deutsche Bank AG´s Year-end performance-based VC for 2023 and severance payments. The table does not include new hire replacement awards for lost entitlements from previous employers (buyouts)

Guaranteed variable remuneration and severance payments - Material Risk Takers (REM 2)

in € m. (unless stated otherwise)[1]	Super-visory Board[2]	Manage-ment Board[3]	Senior Management[4]	Other Material Risk Takers	Bank Total
					2023
Guaranteed variable remuneration awards					
Number of MRTs[5]	0	0	0	0	0
Total amount	0	0	0	0	0
of which: paid during financial year, not taken into account in bonus cap	0	0	0	0	0
Severance payments awarded in previous periods, paid out during financial year					
Number of MRTs[5]	0	0	0	0	0
Total amount	0	0	0	0	0
Severance payments awarded during financial year					
Number of MRTs[5]	0	1	0	0	1
Total amount[6]	0,00	0,21	0,00	0,00	0,21
of which: paid during financial year	0,00	0,21	0,00	0,00	0,21
of which: deferred	0,00	0,00	0,00	0,00	0,00
of which: paid during financial year, not taken into account in bonus cap	0,00	0,21	0,00	0,00	0,21
of which: highest payment that has been awarded to a single person	0,00	0,21	0,00	0,00	0,21

1 The table may contain marginal rounding differences.
2 The Bank's Supervisory Board members who are DB Group employees do not receive any compensation in Luxembourg for their Supervisory Board membership duties.
3 Management Board represents the Management Board Members of the Bank.
4 Senior Management is defined as the Bank's MB-1 positions.
5 Severance granted to a MRT identified for performance year 2023 and who terminated in 2023.

Deferred remuneration - Material Risk Takers (REM 3)

in € m. (unless stated otherwise)[1]	Total amount of deferred remuneration awarded for previous performance periods	of which due to vest in the financial year	of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
								2023
Supervisory Board[2]	0	0	0	0	0	0	0	0
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Management Board[3]	0,86	0,12	0,74	0,00	0,00	0,05	0,12	0,06
Cash-based	0,43	0,06	0,37	0,00	0,00	0,00	0,06	0,00
Shares or equivalent ownership interests	0,43	0,06	0,37	0,00	0,00	0,05	0,06	0,06
Share-linked instruments or equivalent non-cash instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other forms	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Senior management[4]	0,22	0,02	0,20	0,00	0,00	0,01	0,02	0,01
Cash-based	0,11	0,01	0,10	0,00	0,00	0,00	0,01	0,00
Shares or equivalent ownership interests	0,11	0,01	0,10	0,00	0,00	0,01	0,01	0,01
Share-linked instruments or equivalent non-cash instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other forms	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other Material Risk Takers	0,09	0,01	0,08	0,00	0,00	0,01	0,01	0,01
Cash-based	0,05	0,01	0,04	0,00	0,00	0,00	0,01	0,00
Shares or equivalent ownership interests	0,05	0,01	0,04	0,00	0,00	0,01	0,01	0,01
Share-linked instruments or equivalent non-cash instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other instruments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Other forms	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Total amount	1,17	0,16	1,01	0,00	0,00	0,00	0,16	0,08

[1] The table may contain marginal rounding differences.
[2] The Bank's Supervisory Board members who are DB Group employees do not receive any compensation in Luxembourg for their Supervisory Board membership duties.
[3] Management Board represents the Management Board Members of the Bank.
[4] Senior Management is defined as the Bank's MB-1 positions.

Remuneration of high earners – Material Risk Takers (REM 4)

in €	2023 Number of individuals[1]
Total Pay[2]	
1,000,000 to 1,499,999	0
1,500,000 to 1,999,999	0
2,000,000 to 2,499,999	0
2,500,000 to 2,999,999	0
3,000,000 to 3,499,999	0
3,500,000 to 3,999,999	0
4.000,000 to 4,499,999	0
4,500,000 to 4,999,999	0
5,000,000 to 5,999,999	0
6,000,000 to 6,999,999	0
7,000,000 to 7,999,999	0
8,000,000 to 8,999,999	0
9,000,000 to 9,999,999	0
10,000,000 to 10,999,999	0
11,000,000 to 11,999,999	0
12,000,000 to 12,999,999	0
13,000,000 to 13,999,999	0
14,000,000 to 14,999,999	0
Total	0

[1] Comprises MRTs only (including 2023 leavers)
[2] Includes all components of FP and VC (including severances); buyouts are not included

For 2023, no MRT received a Total Pay of €1 million or more.

Compensation awards 2023 – Material Risk Takers (REM 5)

	Management Body Remuneration			Business Areas					
in € m. (unless stated otherwise)[1]	Supervisory Board[2]	Management Board[2]	Total Management Body	Investment Banking[2]	Retail Banking[2]	Asset Management[2]	Corporate Functions[2]	Control Functions[2]	Total
Total number of Material Risk Takers[3]	0	3	3	0	3	0	4	4	14
of which: Management Body	0	3	3						3
of which: Senior Management[4]				0	2	0	0	0	2
of which: Other Material Risk Takers				0	1	0	4	4	9
Total Pay of Material Risk Takers	0,00	2,02	2,02	0,00	0,84	0,00	0,98	0,57	4,42
of which: variable pay[5]	0,00	0,71	0,71	0,00	0,14	0,00	0,22	0,06	1,13
of which: fixed pay	0,00	1,31	1,31	0,00	0,70	0,00	0,77	0,51	3,29

[1] The table may contain marginal rounding differences.
[2] The Bank's Supervisory Board members who are DB Group employees do not receive any compensation in Luxembourg for their Supervisory Board membership duties. Management Board represents the Management Board Members of the Bank Investment Bank and Asset Management (not applicable for the Bank). Retail banking including Corporate Bank and Private Bank. Corporate Functions including Legal, Finance, Technology Data & Innovation and Treasury Markets Investments. Control Functions including Risk Management, Group Audit and Compliance.
[3] MRTs as of December 31, 2023; shows remuneration awarded to all MRTs (including 2023 leavers)
[4] Senior Management is defined as the Bank's MB-1 positions.
[5] Variable Pay includes Deutsche Bank AG´s Year-end performance-based VC for 2023 and severance payments; the table does not include new hire replacement awards for lost entitlements from previous employers (buyouts)