DB Investments (GB) Limited UK Regulated Group

PILLAR 3 REPORT 2023

UNAUDITED

APRIL 2024

Contents

Introduction

Disclosures according to Pillar 3 of the Basel 3 Capital Framework

The purpose of this Report is to provide Pillar 3 disclosures for the DB Investments (GB) Limited UK regulated group as required by the regulatory framework for capital & liquidity, established by the Basel Committee on Banking Supervision and implemented in the UK by the Prudential Regulation Authority ("PRA"). Per the rules it is not required to have Pillar 3 disclosures audited and as such the information provided in this Pillar 3 Report is unaudited.

Scope and Preparation of Disclosures

DB Investments (GB) Limited ("DBIGB") is a wholly owned subsidiary of Deutsche Bank A.G. ("DB Group[1]"). The trading subsidiaries of DBIGB are DB UK Bank Limited ("DBUKB"), a UK regulated bank, and Deutsche Trustee Company Limited ("DTCL"), a UK regulated investment firm. DBUKB is required by PRA rules, contained in PRA Rulebook Disclosure (CRR), to disclose key prudential and remuneration information at the level of their PRA UK consolidation group ("DBIGB Group"). DBIGB Group is made up of four companies - DBUKB, DTCL, Deutsche Holdings Limited ("DHL"), a holding company with no other activities, and DBIGB, a holding company, with DBIGB being the consolidating company.

This Pillar 3 Report has been reviewed and approved by the Boards of DBIGB, DHL, DBUKB and DTCL ("The Boards").

The Boards of the entities included in the DBIGB Group have determined that DBIGB Group/DBUKB should be categorised as an Other Institution[2] for the purposes of the Pillar 3 Report and as such the disclosures included in this Report meet the PRA requirements in PRA Rulebook Disclosure (CRR) Article 433c Disclosures by Other Institutions. As DBUKB is not a listed company and is also not a LREQ[3] Firm for PRA purposes, disclosures will be published annually on the Deutsche Bank Wealth Management website: https://www.deutschewealth.com/en/uk/regulatory-information.html.

DBIGB Group has not excluded any items from the Pillar 3 Report for materiality, proprietary, confidentiality or any other reasons. In the Remuneration section of the Report as there are only 2 DBIGB Group employees in 'MB Management Function' & 4 employees in 'Other identified staff' the compensation data elements are reported together to maintain confidentiality of individual staff compensation.

Prior to 1st January 2022, DBIGB Group/DBUKB did not publish Pillar 3 disclosures as the Pillar 3 disclosure requirement was met by the DB Group Pillar 3 Report. Following the end of the Brexit transition period, from 1st January 2022, DBIGB Group's Pillar 3 requirement is no longer met by the DB Group Pillar 3 Report. Therefore, this report has been prepared from 2022 to publish the Pillar 3 disclosures for DBIGB Group.

Within this Report, the row numbers and column references in the tables containing quantitative information are based on those prescribed in the PRA templates for Pillar 3 disclosures, which are relevant and applicable to DBIGB Group. The rows containing a nil value, or which are not applicable to DBIGB Group, have been excluded for the purposes of these disclosures.

At end 2022 DTCL was regulated by the Financial Conduct Authority ("FCA") as a small and non-interconnected MIFID investment firm and as such was required to disclose Remuneration information as part of the Pillar 3 Report. Effective 20th February 2023, FCA approved a change in DTCL's regulatory permissions as requested

[1] DB Group refers to Deutsche Bank A.G. and connected companies.
[2] The other categories are Large Institutions and Small and Non-Complex Institutions.
[3] LREQ firms are firms subject to the PRA's Leverage Ratio – Capital Requirements and Buffers Rulebook Part. DBIGB Group/DBUKB does not meet the criteria to be a LREQ firm.

by DTCL. Following the change in permissions, DTCL is now regulated by the FCA as a non MIFID investment firm, subject to the FCA's IPRU-INV Chapter 5 Regime and as such is no longer subject to the FCA's Pillar 3 Remuneration disclosure requirements.

The primary objectives of the trading entities in the DBIGB Group are:

DBUKB - the primary objective of DBUKB is to be the leading trusted advisor to wealthy UK families with an international dimension to their lives, and to wealthy international families on the UK dimension of their global financial interests. The principal operations of DBUKB are the provision of Wealth Management services to High and Ultra High Net Worth clients/family offices in the UK market, as part of DB Group's Private Bank ("PB"), offering the following range of private banking and wealth management services:

- Financial planning;
- Investment advice;
- Discretionary portfolio management;
- Deposits and payments;
- Credit (including regulated mortgages, structured and lombard lending); and
- Custody and execution.

DTCL - acts as trustee for debt capital market instruments, ranging from conventional debt structures through to highly complex financings (Project Finance, loan capital issues and equity-linked structures).

The Chief Financial Officer and Senior Manager Function 2 Holder for DBUKB, who is also a Director of DBIGB, attests that the disclosures presented in this Pillar 3 Report comply with the requirements of the PRA Rulebook Disclosure (CRR) and have been prepared in accordance with the formal policies and appropriate internal processes, systems and controls defined for the purpose of these disclosures.

Basis of Presentation

The DBIGB Group Pillar 3 Report has been prepared in accordance with UK Generally Accepted Accounting Practice while Regulatory Capital, Risk Weighted Assets ("RWAs"), Liquidity and other regulatory ratios are calculated in accordance with the PRA Rulebook.

Risk Management Framework and Governance

DBIGB Group sits within the DB Group structure and complies with DB Group policies and standards. DB Group employs the Three Lines of Defence model to help protect the Bank, it's customers and shareholders against losses and reputational damage, resulting from the impacts of risk events, and governance responsibilities are apportioned across the first and second lines of Defence. Effective risk and control management is underpinned by a strong risk awareness culture, embedded in all the decisions, processes and management activities performed on a day-to-day basis. First line of Defence pertains to staff in the business divisions, as the primary risk owners and, staff in the Group Technology & Operations and other service areas who own business processes, operations and information technology. The owners of the business activities and processes where the risks originate are the owners of risks. The Second Line of Defence is comprised of the control functions who are responsible for the design of the control framework and independent risk assessments and the Third Line is Group Audit. DBIGB Group applies DB Group's risk management framework and governance structures to identify, control and manage the material risks faced in its business activities.

Key financial risks to DBIGB Group are Credit risk and Liquidity risk (specifically Concentration risk given DBUKB's dependency on upstream funding by DB Group). Market risk is considered minimal as trades are transacted on an agency or matched principal basis with DB Group. Climate risk should not be considered a stand-alone risk type, but rather a driver of existing risk types, therefore it should be analysed jointly with other risk types. The key climate risks to DBIGB Group are Transition risk, Physical risk and Credit risk from default of clients, relating to DBUKB's property loan portfolio.

This section covers the risks considered by the Boards as material to the DBIGB Group together with details of how these risks are managed. The Boards consider that the risk management arrangements in place for DBIGB Group are adequate to cover the profile and strategy of the DBIGB Group.

Climate Risk

Climate risks are distinct from the majority of risks DBIGB Group face in the sense that (i) certain risks may only materialise over the long-term, (ii) there is limited historical data – particularly in relation to Transition risk – on which to base a forward-looking risk appetite and (iii) traditional/existing metrics may not be appropriate/sufficient to manage Climate risk. DBIGB Group, as part of DB Group, benefits from DB Group's climate initiatives. DB Group is building a set of tools and processes to identify, measure, monitor and control these risks in alignment with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, peer best practice and relevant regulatory guidance. DB Group is working, both in-house and through participation in industry initiatives, to develop and implement a comprehensive Climate Risk Framework, in line with the TCFD recommendations.

In 2023, DB Group further integrated the oversight of sustainability-related issues into governance structures on several levels, ranging from the Supervisory Board and the Group Sustainability Committee to senior business leadership, key infrastructure and control functions as well as specialist teams. DB Group's sustainability governance includes two key committees and one council devoted entirely to sustainability.

The DB Group Sustainability Committee acts as the main governance and decision-making body for sustainability related matters across DB Group. The committee is chaired by the Chief Executive Officer and the Chief Sustainability Officer (Vice Chair). Its "run the bank"-mandate has oversight of sustainability strategy implementation across divisions and ensures alignment of the sustainability strategy with DB Group's corporate strategy. The Sustainability Strategy Steering Committee oversees the implementation of DB Group's sustainability strategy as Key Deliverables" ("change the bank" priorities). The Sustainability Council fosters knowledge exchange between the DB Group's sustainability champions to support bank-wide change and to identify new topics.

For DBUKB, the governance responsibilities for Climate Change sit with the Chief Risk Officer (Senior Manager Function 4). DBIGB Group has considered climate change scenarios in its Internal Capital Adequacy Assessment Process ("ICAAP"). Whilst these scenarios assess the capital required for these eventualities, they do not provide for any modification to the amounts recorded in the Financial Statements. DBUKB continues to assess the impact of climate change on its Balance Sheet and whether future modifications may be required.

As a global bank DB Group acknowledges the role it plays in facilitating the transition toward sustainable growth and a low-carbon economy. As a financial intermediary, DB Group supports clients with financial expertise and product offerings on their path to a more sustainable and climate-neutral way of doing business. Thus, DB Group supports the European Commission's Action Plan on Sustainable Finance as a crucial contribution toward the European Union's ("EU") achievement of its Paris Agreement climate targets and its wider sustainability agenda. This is in line with DB Group signing the Paris Pledge for Action in 2015.

To contribute to these climate and sustainability targets, DB Group set the target to achieve cumulative sustainable financing and Environmental, Social and Governance ("ESG") investment volumes of €500bn in the period from January 2020 to end of 2025 (excluding DWS); which transactions can be classified as sustainable is documented in DB Group's Sustainable Finance Framework and published on Deutsche Bank's website. This target included loans granted and bonds placed by DB Group and ESG assets managed by PB by 2025 including assets managed within DBIGB Group. DB Group has achieved a cumulative sustainable financing and investments volume of €279bn in 2023 (excluding the DWS business). All business areas (excluding DWS) contributed to DB Group meeting this target.

In 2023, PB at a DB Group level and DBUKB continued to implement its ESG strategy, committing to provide its clients the information, advice and products they need for their ESG solutions, thereby enabling their investments to have a positive impact. In 2022 PB formed a new Product, Platform and Sustainable Solutions function with PB Global Executive Committee representation and a dedicated sustainable solutions team driving the ESG approach across the division. The dedicated Sustainable Solutions team was further expanded in 2023 and continued to drive implementation of the ESG strategy across the division.

PB progressed in its ambition to make ESG a default offering for investing through the conversion of its core Strategic Asset Allocation fund to align with sustainability criteria. Focus also remained on educating employees on ESG, including offering opportunities to obtain industry certifications, and providing training on emerging regulations for all product and analyst professionals. PB also continued providing thought leadership on biodiversity and ocean conservation topics through partnerships with Ocean Risk and Resilience Action Alliance, Cambridge Institute for Sustainability Leadership, and other renowned organisations delivering research, publications, and events.

In line with PB's updated sustainable investment classification criteria, PB applies the following approaches to investment products:

- Discretionary portfolio management uses Morgan Stanley Capital International ("MSCI") data to exclude certain industries in accordance with the DB Group's group wide ESG exclusion policies and the portfolios' underlying securities must have a minimum MSCI ESG rating; in line with regional regulatory requirements, discretionary portfolio management also includes attributes that align the instrument selection within its mandates to the regulatory defined sustainability characteristics; discretionary portfolio management offers ESG solutions across the main regions and in 2023 sales efforts were also increased for the DB ESG Fixed Income product in response to client demand for the asset-class.
- Funds on PB's advisory list are assessed by the Funds Research team in the Global Investment Group to check if they meet minimum requirements to be considered as an ESG fund; ESG funds must have a qualifying ESG strategy, meet a minimum MSCI ESG rating, and align to defined sustainability regulations within the applicable region; additional due diligence is carried out to determine the intentionality of the ESG strategy of the fund before it is actively promoted in advisory processes as ESG; in 2023, the Funds Research team continued its efforts to increase the number of ESG funds available through active search for viable offerings in sub asset classes, as well as defining an approach to classify exchange-traded funds as ESG; the number of ESG funds meeting the defined criteria on PB's recommended lists were increased to 56 mutual funds, and 118 exchange-traded funds (2022: 34 mutual funds, 0 exchange-traded funds).
- Third-party green bonds in the investment portfolios of PB's clients are considered ESG if the green bonds meet all four core components of the International Capital Market Association's Green Bond Principles. These components set out guidelines for the instrument to be considered green, which includes the use of proceeds, disclosure of the process for project evaluation and selection, the management of the proceeds and annual reporting on allocations.
- Alternative products classification criteria were implemented in 2023, with the first ESG Alternative Fund offered in the first quarter; the classification of Alternatives follows the defined minimum standards described for funds with additional due diligence carried out to determine the intentionality of the ESG strategy of the product before it is actively promoted in advisory processes as ESG and included in the sustainable volumes.

In line with DB Group's Sustainable Finance Framework, PB continued to offer ESG lending options for its clients. Reported volumes for lending meet either environmental or social criteria. Also, short- to medium-term green deposits have been made available to customers financing DB Group's green asset pool and supporting United Nations Sustainable Development Goals. In 2023, a particular focus has been on financing green mortgages or house renovation or refurbishment measures with positive environmental impact.

The main part of DBIGB Group's business that could be impacted by climate change is DBUKB's loan portfolio of predominantly UK residential and commercial property mortgages. The key climate risks to DBIGB Group are:

- Transition risk: Transition risks are defined as risks which could result from the process of adjustment towards a lower-carbon economy (policy, technology and behavioural changes). The cost of increasing or changing regulatory and compliance costs (e.g. efficiency standards) leading to (i) more costs for the borrower (negative for credit), and (ii) greater difficulty in selling the collateral (buyer may account for compliance costs upon purchase);

- Physical risk: Physical risks are defined as the financial and non-financial risks which could result from the negative impacts of rising global temperatures. Physical risk is categorised as “acute” when it arises from extreme events, such as droughts, floods and storms, and “chronic” when it arises from progressive shifts, such as increasing temperatures; and
- Credit risks from defaults of clients who are directly/indirectly impacted by these events and/or depreciation of collateral values.

In the UK, energy use in residential real estate accounts for 20% of total carbon emissions. This inefficiency will likely impact the payment capacity of homeowners. For example, lower energy-efficient buildings may have high fuel bills or higher taxes (transition risks), and home insurance in regions with increased risk of flooding could be raised (physical risks). The value of the properties may be further impacted by changes in regulations and other sustainability requirements such as a tightening in the required level of energy performance requirements for properties.

DBUKB has taken a proportional approach to Climate risk based on the risk profile of its portfolio. Climate risk variables are included in stress testing and DBUKB’s Risk Appetite Statement includes mitigations to control against Climate risk. For loans secured on property, which make up the majority of DBUKB’s loan portfolio, the valuation and underwriting processes take into account the Climate risk of the underlying loan and are embedded in the Credit risk valuation process. Underwriting processes and annual reviews include assessment of the sustainability of both the collateral and the client’s ability to service the loan based on the sustainability of the assets/income the client holds. In the case where (for example) the client’s wealth is dominated by “brown” industries or those likely to be impacted by climate or any other volatility factor, these factors are used to assess and rate the counterparty. In fact, this “risks to wealth” consideration is a general factor in DBUKB’s assessment of the counterparty risk factor. DBUKB’s assessment of collateral follows the same approach with real estate collateral appraised for all potential risks at the valuation/validation stage. This includes review of the Energy Performance Certificate rating of the property and valuers’ feedback on any notable flood risks (or other equivalent).

Lombard loans are the predominant non-real estate loans booked by DBUKB. As the collateral provided in Lombard loans is highly liquid and can be easily exchanged for other collateral as needed, DBIGB Group has excluded Lombard loans from its Climate Risk Framework.

In addition to developing Climate risk quantitative thresholds, DBUKB is focused on positive mitigations to Climate risk for its portfolio. The following mitigations are in place:

- The Divisional Reputational Risk Committee has the mandate to address reputational issues that arise from Climate risk;
- DBUKB’s risk appetite limits mortgage tenor to 5 years or less which allows for frequent reassessments as the climate and regulations related thereto change;
- DBUKB’s appraisal policy has been updated to require an assessment as to how environmental related risk types could materially impact the saleability or market value of the property; and
- DBUKB’s Lending and Risk teams perform annual valuations on each of the properties. In these valuations physical, valuation and transition risks are taken into account including deterioration of values as a result of climate change. As the DB Group and PB ESG risk appetite matures and develops quantitative metrics, DBIGB Group/DBUKB will align as appropriate.

Credit Risk and Market Risk

DBIGB Group manages Credit Risk according to policies and guidelines set by the DB Group’s Credit Risk Management Function (“CRM”). CRM is responsible for setting DB Group’s Credit Risk appetite globally and ensuring that Credit risk exposure is in line with this appetite and is suitable for the businesses of the DB Group.

DBUKB is the entity in the DBIGB Group that has the majority of DBIGB Group’s Credit and Market risks. DBUKB has credit exposure in the form of collateralised loans to PB clients, a small amount of uncollateralised loans to PB clients and collateralised and uncollateralised loans to DB Group. Loans to PB clients (measured on a connected group risk basis) remained below PRA Large exposure limits throughout 2023 and 2022. While the risk of principal losses due to exposure to lending secured on Prime Central London property is a risk for DBIGB Group, it is considered well mitigated with collateral, with loan to value ratios typically less than 70% (average of 49% at December 2023) and residual Credit risk limited by provision of personal guarantees. The focus on Prime Central London poses a Concentration risk which is monitored. The PB loan book is largely floating rate and hence exposed to likely future interest rate rises in the UK. This is of limited concern for PB due to the additional capital resources of the borrowers. Management take into account the overall financial standing of a client in the PB business against strict lending limits through a thorough client review process and combines collateral and personal guarantees backed by other largely uncorrelated but visible sources of wealth. Metrics such as overdue credit reviews and loan to value levels are monitored.

DBIGB Group applies International Financial Reporting Standards ("IFRS") IFRS 9 'Financial Instruments'. The impairment requirements of IFRS 9 apply to all credit exposures that are measured at amortised cost or fair value through other comprehensive income and to off balance sheet commitments. The IFRS 9 impairment approach is an integral part of DBUKB's Credit risk management. The estimation of Expected Credit Loss ("ECL") which is the basis for the credit loss allowance is either performed via an automated ECL calculation using DB Group's ECL engine 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 IFRS 9 stages is made on an individual asset basis. For financial assets in default (classified as Stage 3) the allowance for credit losses is determined individually by credit officers.

DBIGB Group determines credit loss allowances in accordance with IFRS 9 as follows:

- Stage 1 reflects financial assets where it is assumed that Credit risk has not increased significantly after initial recognition. For Stage 1 assets DBIGB Group recognises a credit loss allowance equal to 12 months ECL;
- Stage 2 contains all financial assets that have not defaulted but have experienced a significant increase in Credit risk since initial recognition. For Stage 2 DBIGB Group recognises a credit loss allowance at an amount equal to lifetime expected credit losses for those financial assets which are considered to have experienced a significant increase in Credit risk since initial recognition. This requires the determination of the ECL based on lifetime probability of default, lifetime loss given default and lifetime exposure at default that represents the probability of default occurring over the remaining lifetime of the financial asset. Allowance for credit losses are higher in this stage because of an increase in Credit risk since origination or purchase and the impact of a longer time horizon being considered compared to 12 months in Stage 1;
- Stage 3 consists of financial assets of clients which are defaulted in accordance with the Capital Requirements Regulation ("CRR") Article 178. DBIGB Group defines these financial assets as impaired, non-performing and defaulted. Loss allowance is calculated as lifetime expected credit losses assuming a 100% probability of default. A financial asset can be classified as in default but without an allowance for credit losses (i.e. impairment loss is not expected) for example where the value of the collateral is in excess of the current and future amounts owed;
- Significant increase in Credit risk is determined using quantitative and qualitative information based on DBIGB Group's historical experience, credit-risk assessment and forward-looking information; and
- Purchased or Originated Credit-Impaired financial assets are assets where at the time of initial recognition there is objective evidence of impairment.

Due to the collateralised nature of the portfolio for the purposes of the IFRS 9 impairment calculation the majority of PB loans are fully collateralised and as a consequence the total ECL calculated is low.

Exposures to the DB Group are within the limits allowed under the Core UK Group and Non-Core Large Exposures Group permissions granted by the PRA and renewed for three years from 1st January 2022 until 1st January 2025.

As a Corporate Trustee, DTCL takes no outright risk as principal in any transaction. Thus, Credit risk is limited to non-receipt of fees and other debtors.

DBIGB Group faces minimal Market risk in its day-to-day client activities. DBIGB Group is recharged costs and recharges some of its costs to DB Group companies mainly in Euro. As such it is exposed to Foreign exchange risk if the Euro to GBP exchange rate fluctuates. All loans to external clients and deposits from external clients are funded by or placed with DB Group mainly on a matched term, currency and interest rate basis and therefore DBIGB Group is not exposed to Interest Rate risk on client activity and Currency risk is limited to profit and loss on non-GBP contracts. DBUKB places its capital and reserves with DB Group typically on a three-month floating rate basis and therefore is exposed to the impact of interest rate movements on the interest earned on its capital. Market risk for DTCL is limited to short-term holding of unsettled foreign exchange denominated revenue positions which arise from receiving certain contract settlements in non GBP currency. DTCL largely mitigates the risk of foreign exchange by periodically converting these positions to GBP. The value of these receivables is expected to remain stable in the future.

Listed derivatives, which were launched in 2022, are transacted with PB clients with DBUKB entering into matching back-to-back contracts with DB Group companies.

Non-Financial Risk

Non-Financial risk is the risk of loss resulting from inadequate or failed internal processes, people behaviour, systems or external events. Non-Financial risk includes the risk of reputational damage but excludes business and strategy risk. Non-Financial Risk is managed by DB Group's Non-Financial Risk Management Function ("NFRM"). DBIGB Group manages and tracks non-financial risks including operational risks using a central Risk Profile with risks monitored regularly by the Boards and Risk Committees.

The approach to Operational risk follows the DB Group Operational risk framework which covers all entities in the DB Group. The DTCL Board has a mandate to identify new emerging risks through operational metrics and market observation. In addition to performing a quarterly confirmation of existing risks, as part of its continuous review process, the DTCL Board mandate is also to identify and consider emerging risks for inclusion and monitoring as well as changes to existing risk severity classifications and consider suitable mitigation and monitoring.

Liquidity Risk

DBIGB Group and DBUKB manages its Liquidity risk through a comprehensive and proportionate Liquidity risk framework across short, medium and long-term periods through the Liquidity Coverage Ratio ("LCR"), Net Stable Funding Ratio ("NSFR"), daily Internal Stress testing and the Funding Matrix.

LCR is a regulatory measure covering the ability of the DBIGB Group/DBUKB to meet its liabilities over the next 30 days. NSFR is a longer-term measure comparing the amount of available stable funding to required stable funding. The Internal Stress Test assesses the adequacy of DBUKB's Liquidity resources for an eight-week period. The Funding Matrix assesses the structural funding profile in the longer-term time buckets (one year and above). DBIGB Group monitors these ratios daily and has maintained a surplus above Board risk appetite and the regulatory minimum where relevant throughout 2023 and 2022.

The primary Liquidity risk for the DBIGB Group is the reliance on DB Group for funding. This is mitigated by the fact that majority of external assets are match funded, with client deposits being placed with DB Group and client loans being funded by DB Group both on a matched basis, leaving limited refinancing risk for DBIGB Group. As DBIGB Group sources the majority of its funding from DB Group it is not reliant on the external market for funding (the only source of external liabilities is PB client deposits not used for funding purposes).

Capital Management

DB Group Treasury manages solvency, capital adequacy and leverage at DB Group level and locally in each region by legal entity. The DB Group Capital Management Framework is applied across the entities within the DBIGB Group, with a particular emphasis on DBUKB being the main capital consumer of the DBIGB Group. The framework is designed so that DBIGB and its subsidiary companies are adequately capitalised at all times in relation to:

- the regulatory minimum Capital Requirement, including the various buffers (PRA, Capital Conservation and Countercyclical); and
- the Boards' Risk Appetite.

The Framework has both point in time and forward-looking components, including base case projections and stress testing.

DBUKB is authorised by the PRA and regulated by the FCA and the PRA and as such is subject to the PRA's rules on monitoring Capital Adequacy and Liquidity as specified in the PRA Rulebook, on an individual basis and for the DBIGB Group. DTCL is authorised and regulated by the FCA and as such is subject to the FCA's rules on monitoring Capital Adequacy and Liquidity as specified in the FCA Handbook.

As required by PRA rules DBIGB Group has in place an ICAAP, which assesses the adequacy of Regulatory Capital against Management's assessment of the capital amounts, types and distribution of capital required to cover the risks to which the DBIGB Group is exposed. Using this measure, the DBIGB Group, and DBUKB and DTCL on a standalone basis, have a surplus of Regulatory Capital over Capital Resources requirements on both a current and five year forecast basis.

To arrive at its internal capital requirements, DBIGB Group calculates the minimum regulatory requirements for Pillar 1, any additional requirements for Pillar 2A risks and a Capital Planning Buffer as identified through stress testing. The latest ICAAP approved by the Boards in December 2023, based on an assessment date of 30th September 2023, showed the following results[4]:

- Pillar 1 of £51.4m (8% x RWA of £642.3m); and
- Pillar 2A add-on of £27.3m to cover Concentration risk, Operational risk and Interest rate risk in the Banking book.

The ICAAP concluded that DBIGB Group continues to operate with a material capital surplus over its internal assessment of capital required.

[4] The results shown represent the internal capital assessment arrived at by the Boards.

Key Performance and Risk Indicators ("KPIs" & "KRIs")

DBIGB Group's KPIs and KRIs enable oversight of the material risks of the DBIGB Group while supporting and enabling the overall business strategy as approved by the Boards. The Boards set KPI and KRI limits reflecting their risk appetite to deliver their business objectives. A key objective of KPI and KRI selection is to ensure that DBIGB Group has sufficient financial resources to support the business at any given point in time, to absorb market events and to meet regulatory requirements.

KPIs and KRIs are monitored regularly including at the DBUKB Board Risk and Audit Committee and in Board meetings and any breaches are escalated. The key regulatory indicators for DBIGB Group are presented in the table below:

KPI/KRI Measure	Limit Methodology	Regulatory Limit	Board Risk Appetite	31/12/23	31/12/22
Regulatory Capital Ratio[5]	In line with Board Risk Appetite and PRA prescribed requirements and guidance	>100%	>120%	438%	125%
Leverage Ratio	In line with Board Risk Appetite	>3.25%[6]	>6%	25%	23%
Liquidity Coverage Ratio	In line with Board Risk Appetite and PRA requirements	>100%[7]	>165% (warning)[8]	463%	317%
Net Stable Funding Ratio	In line with Board Risk Appetite and PRA requirements	>100%	>114% (warning)[9]	203%	221%

Regulatory Capital Ratio is a measure of Regulatory Capital relative to total PRA Capital Resources Requirement plus PRA Buffers. The Ratio increased during 2023 mainly due to a decrease in the individual capital requirements set by the PRA effective from 23rd June 2023. It remains above the Board's risk appetite and the regulatory minimum.

Leverage Ratio is a measure of Tier 1 Capital relative to on balance sheet assets and certain off balance sheet exposures. The Ratio slightly increased during 2023 due to a reduction in client deposits and remains above Board risk appetite and the regulatory minimum[10].

LCR is a short-term liquidity measure designed to ensure DBIGB Group has sufficient liquid assets to cover net stressed outflows in the next 30 days. The Ratio increased in 2023 mainly due to an increase in the liquid assets buffer required in the short term to cover loans reaching maturity. DBIGB Group's LCR remains well above the regulatory minimum of 100%.

NSFR requires banks to maintain a stable funding profile in relation to the 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). DBIGB Group's NSFR has been relatively stable throughout 2023 and is well above the regulatory minimum reflecting the mainly matched nature of the Balance Sheet with surplus capital available.

[5] Calculated including 2023 profit for DBUKB and DTCL following completion of Audited Financial Statements at date of this Pillar 3 Report.
[6] DBIGB Group is out of scope of PRA's formal Leverage Regime and monitors its Leverage Ratio against Board Risk Appetite and PRA guidance.
[7] Excludes PRA's liquidity guidance.
[8] Internal early warning which provides a buffer to allow for countermeasures to be invoked prior to breaching risk appetite.
[9] Internal early warning which provides a buffer to allow for countermeasures to be invoked prior to breaching risk appetite.
[10] DBIGB Group is out of scope of PRA's formal Leverage Regime and monitors its Leverage Ratio against Board Risk Appetite and PRA guidance.

Intragroup and Related Party Transactions

The financial and operational robustness of DBIGB Group is inextricably linked to that of the wider DB Group.

DB Group defaulting on its obligations towards DBIGB Group coupled with withdrawal of support resulting in an unwillingness to provide additional funding is the one potential scenario that DBIGB Group has identified that has the potential to threaten its viability as a going concern. It should be noted, however, that this scenario is inconsistent with the preferred resolution strategy of Single Point of Entry open bank bail in as communicated to DB Group by its home resolution authorities, the European Union Single Resolution Board/Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin").

DBIGB Group enters into various transactions with DB Group companies all of which are on an arms-length basis. Material arrangements with DB Group companies comprise:

- Placement of capital on deposit;
- Funding for PB client lending and placement of PB client deposits received;
- Lending and borrowing transactions within the DBIGB Group;
- Payment of and refund of costs incurred;
- DBUKB has been granted a Core UK Group permission by the PRA, allowing the exemption of exposures between companies in the DBIGB Group from the PRA Large Exposure limits and zero risk weighting of these exposures for the purposes of Credit risk. This allows DBUKB to continue to manage surplus liquidity, funding and large exposures for the DBIGB Group. The current permission expires on the 1st January 2025. As part of the permission, a legal agreement is in place whereby DBIGB and DHL will promptly increase DBUKB or DTCL's Regulatory Capital upon demand to ensure that each firm complies with any regulatory requirements relating to Capital Resources or Concentration risk. The liability to contribute Capital Resources is limited to surplus capital to the extent legally permissible; and
- DBUKB has an on balance sheet agreement in place permitting offset of all on balance sheet amounts with Deutsche Bank A.G. London branch and Deutsche Bank A.G. Frankfurt.

Regulatory Capital/Own Funds

Composition of Regulatory Capital/Own Funds

DBIGB Group's Regulatory Capital/Own Funds consist of Common Equity Tier 1 Capital ("CET1") only and DBIGB Group has not issued any Additional Tier 1 ("AT1") or Tier 2 ("T2") instruments.

Template UK CC1 **Composition of Regulatory Own Funds**		**31/12/23** **£000**	**31/12/22** **£000**	**Reference** **UK CC2**
CET1				
1	Share capital	572,392	572,392	
2	Retained earnings	(14,514)	(33,912)	
3	Revaluation & other reserves	6,919	6,919	
6	**CET1 before Regulatory Adjustments[11]**	**564,797**	**545,399**	
Shareholders' funds		**564,797**	**545,399**	a
CET1: Regulatory Adjustments				
7	Additional value adjustments	(1)	(1)	
8	Intangible fixed assets	(9,689)	(7,619)	
28	**Total Regulatory Adjustments to CET1**	**(9,690)**	**(7,620)**	b
29	**CET1[12]**	**555,107**	**537,779**	
44	**AT1**	**0**	**0**	
45	**Tier 1 Capital ("T1") (T1 = CET1 + AT1)**	**555,107**	**537,779**	
58	**T2**	**0**	**0**	
59	**Total Capital ("TC") (TC = T1 + T2)**	**555,107**	**537,779**	c

The increase of £17m in CET1 during 2023 mainly reflects profitability in both DBUKB and DTCL.

DBIGB Group complied with all PRA and FCA Capital and Liquidity requirements throughout 2023 and 2022, with the exception of one breach of the PRA Large Exposures limit which occurred on 7th March 2022 for one day as the result of an issue with the settlement processes across bank accounts. The breach was notified to PRA on the 8th March 2022 and action has been taken to avoid a reoccurrence.

[11] After completion of audit for relevant year.
[12] After completion of audit for relevant year. The IFRS 9 transitional arrangements for regulatory capital have not been applied.

Reconciliation of Regulatory Capital/Own Funds for DBIGB Group

DBIGB Group is not required to publish Financial Statements for the consolidated group. The table below shows a reconciliation of the Financial Statements for each company in the DBIGB Group to the Regulatory Capital/Own Funds included in the calculation of CET1 shown on page 14.

Template UK CC2	31/12/23 £000	31/12/22 £000	Reference UK CC1
Shareholders' funds			
DBIGB[13]	457,834	460,611	
DHL[14]	372,241	372,237	
DBUKB	621,870	601,838	
DTCL	16,139	14,000	
Total	**1,468,084**	**1,448,686**	
Eliminate investment in subsidiaries			
DBIGB	(531,162)	(531,162)	
DHL	(372,125)	(372,125)	
DBIGB Group shareholders' funds	**564,797**	**545,399**	a
Less: Regulatory Adjustments to CET 1	(9,690)	(7,620)	b
DBIGB Group Regulatory Capital/Own Funds	**555,107**	**537,779**	c

Key Prudential Metrics - Capital

DBIGB Group calculates its Pillar 1 Capital Requirements using standardised approaches for Credit risk and Market risk requirements and the basic indicator approach for Operational risk.

Under the PRA requirements DBIGB Group, and individually the regulated entities in the DBIGB Group, must have sufficient Regulatory Capital/Own Funds to cover Pillar 1 and Pillar 2 requirements at all times. This is actively monitored by the Boards, who have set risk appetite metrics above the regulatory minimum.

[13] 2023 numbers are sourced from management accounts as at 31 December 2023 as Financial Statements are not available as at the date of this Report.
[14] 2023 numbers are sourced from management accounts as at 31 December 2023 as Financial Statements are not available as at the date of this Report.

The table below show the key prudential Capital metrics for DBIGB Group in accordance with points (e) and (f) of Article 447 of the Disclosure (CRR) part of the PRA Rulebook:

Template UK KM1 Key Prudential Metrics – Capital		31/12/23 £000/%	31/12/22 £000/%
	Available Regulatory Capital/Own Funds		
1	CET1	555,107	537,779
2	T1	555,107	537,779
3	Total Regulatory Capital/Own Funds	555,107	537,779
	RWA		
4	Total RWA	510,264	681,128
	Capital Ratios (as % of Risk Weighted Exposures)		
5	CET1 Ratio (%)	109%	79%
6	T1 Ratio (%)	109%	79%
7	Total Capital Ratio (%)	109%	79%
	Combined Buffer Requirement (as % of Risk Weighted Exposures)		
8	Capital Conservation Buffer (%)	2.50%	2.50%
9	Institution specific Countercyclical Buffer (%)	1.45%	0.78%
11	Combined Buffer Requirement (%)	3.95%	3.28%
	Regulatory Capital Ratio		
12	Regulatory Capital Ratio	438%	125%
	Leverage Ratio[15]		
13	Total Exposure Measure	2,121,118	2,381,071
14	Leverage Ratio	25%	23%

Commentary on movements in key metrics

- DBIGB Group's Own Funds are all classified as CET1. CET1 has increased during 2023 due to profits in DBUKB and DTCL.
- Total RWAs have decreased during 2023 mainly due to a reduction in PB client deposits. Deposits are placed with DB Group generating RWA. As a result, CET1 Ratio & Total Capital Ratio have both increased and remain materially above the regulatory minimum and Board Risk Appetite.
- The Countercyclical Buffer applying to DBIGB Group increased from 0.78% in 2022 to 1.45% in December 2023, mainly as a result of the UK Financial Policy Committee increasing the Buffer Rate for the UK to 2% in July 2023 (from 1% in December 2022).
- Regulatory Capital Ratio is a measure of total Regulatory Capital Resources/Own Funds relative to total PRA Capital Resources Requirement plus PRA Buffers. The Ratio increased during 2023 mainly due to a decrease in the individual capital requirements set by the PRA, based on DBIGB Group's internal assessment, effective from 23rd June 2023. It remains above the Board's Risk Appetite and the regulatory minimum.
- Leverage Ratio is a measure of Tier 1 Capital relative to on balance sheet assets and certain off balance sheet exposures. The Ratio slightly increased during 2023 due to a reduction in PB client deposits and remains above Board Risk Appetite and the regulatory minimum.

[15]DBIGB Group is not subject to the PRA's Leverage Regime but is expected to monitor leverage and maintain a Leverage Ratio of at least 3.25%.

Overview of Risk Weighted Assets.

The table below shows RWAs and Own Funds Requirements by Risk type in accordance with point (d) of Article 438 of the Disclosure (CRR) part of the PRA Rulebook. Own Funds requirement is calculated as 8% of RWAs.

Template UK OV1 **Overview of RWA amounts**		**RWA**		**Total Own Funds Requirements**	
		31/12/23 £000	**31/12/22 £000**	**31/12/23 £000**	**31/12/22 £000**
1	Credit Risk	440,893	612,901	35,271	49,032
2	*Of which standardised approach*	*440,893*	*612,901*	*35,271*	*49,032*
6	Counterparty Credit Risk	6,053	13,533	484	1,083
7	*Of which standardised approach*	*6,053*	*13,533*	*484*	*1,083*
20	Market Risk[16]	0	0	0	0
21	*Of which standardised approach*	*0*	*0*	*0*	*0*
23	Operational Risk	63,318	54,694	5,065	4,376
UK 23a	*Of which basic indicator approach*	*63,318*	*54,694*	*5,065*	*4,376*
29	**Total RWA**	**510,264**	**681,128**	**40,820**	**54,491**

[16] DBIGB Group does not have a Trading book and Market risk is limited to open foreign exchange positions which are below the de minimis threshold for calculation of Capital Requirements/RWA defined in the PRA Rulebook.

Key Prudential Metrics – Liquidity

DBIGB Group and DBUKB manage Liquidity risk through a comprehensive and proportionate Liquidity risk framework across short, medium and long-term periods through the LCR, NSFR and internal measures.

The table below provides information on DBIGB's LCR and NSFR in accordance with points (f) and (g) of Article 447 of the Disclosure (CRR) part of the PRA Rulebook.

Template UK KM1 Key Prudential Metrics - Liquidity		**2023 £000/%**	**2022 £000/%**
	Liquidity Coverage Ratio[17] [18] Average Quarter 4		
15	Total high-quality liquid assets	323,696	237,185
UK 16a	Cash outflows – total weighted value	392,587	311,853
UK 16b	Cash inflows – total weighted value	640,195	597,549
16	Total net cash outflows (adjusted value)	98,147	77,963
17	Liquidity Coverage Ratio	342%	305%
	Average Quarter 3		
15	Total high-quality liquid assets	267,250	223,798
UK 16a	Cash outflows – total weighted value	380,178	320,591
UK 16b	Cash inflows – total weighted value	664,667	622,430
16	Total net cash outflows (adjusted value)	95,045	80,148
17	Liquidity Coverage Ratio	282%	289%
	Average Quarter 2		
15	Total high-quality liquid assets	269,382	231,729
UK 16a	Cash outflows – total weighted value	352,045	326,240
UK 16b	Cash inflows – total weighted value	639,132	616,172
16	Total net cash outflows (adjusted value)	88,011	81,560
17	Liquidity Coverage Ratio	307%	295%
	Average Quarter 1		
15	Total high-quality liquid assets	258,679	222,729
UK 16a	Cash outflows – total weighted value	342,151	219,773
UK 16b	Cash inflows – total weighted value	672,246	487,571
16	Total net cash outflows (adjusted value)	85,538	54,943
17	Liquidity Coverage Ratio	310%	404%
	Net Stable Funding Ratio[19]		
18	Total Available Stable Funding – weighted value	1,418,699	1,411,410
19	Total Required Stable Funding – weighted value	697,213	639,820
20	Net Stable Funding Ratio	203%	221%

Commentary on movements in key metrics

- LCR is a short-term liquidity measure designed to ensure DBIGB Group has sufficient liquid assets to cover net stressed outflows in the next 30 days. The Average Ratio remained relatively stable during 2023 and remains well above the regulatory minimum of 100%. The amount of the Liquid Asset Buffer is controlled by DB Group Treasury to ensure a target level of LCR is maintained.
- NSFR requires banks to maintain a stable funding profile in relation to the 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). DBIGB Group's NSFR has been relatively stable throughout 2023 and is well above the regulatory minimum reflecting the mainly matched nature of the Balance Sheet with surplus capital available.

[17] LCR shown for each quarter is the average of the end of month LCR figures.
[18] Cash inflows are stated before the application of the cap limiting inflows to 75% of outflows.
[19] NSFR figures shown represent the average of the end of quarter figures for the year.

Governance arrangements

Number of Directorships held by Directors of the Boards

Company	Number of Directors 31/12/23	Total Number of Directorships (excluding the Company)[20]	Of which within DBIGB Group
DB Investments (GB) Limited	4	13	5
Deutsche Holdings Limited	3	22	2
DB UK Bank Limited	7	13	4
Deutsche Trustee Company Limited	5	4	1

Recruitment and Diversity Policy

The HR function is responsible for managing and overseeing the DBIGB Group's framework, policies and procedures in relation to the management and development of its people, including amongst others, reward, recruitment, acquisition, development and mobility of talent, workforce planning, diversity and inclusion, employee relations (including consultation through the UK Employee Forum), performance, engagement and culture, advisory for managers and delivery of HR information and services. A representative from HR is an attendee at quarterly DBUKB Board meetings and presents management information and escalates matters of broader culture and morale to the DBUKB Board which may be appropriate as part of any strategic decision making. In considering such matters, the DBUKB Board recognises that it needs to address diversity and to make improvements to gender disparity across the business given the benefits gained from richness of talent. To that end, the DBUKB Board has requested that management and HR consider initiatives as to how the organisation could better embrace diversity in its broadest sense and leverage opportunities to improve the trend.

[20] Includes Directorships of other Companies within the DBIGB Group.

2023 Pillar 3 Remuneration Report

The content of this Pillar 3 Report is based on the qualitative and quantitative remuneration disclosure requirements outlined in Article 450 No. 1 (a) to (j) Capital Requirements Regulation ("CRR") No. 575/2013 and complies with the 'Disclosure Part' of the PRA Rulebook.

DBIGB & its subsidiary companies in scope of this report - DBUKB & DTCL - do not have an exclusive remuneration policy or a 'Remuneration Committee' established in the UK since they are part of DB Group with its Headquarters in Germany and subject to the German Ordinance for remuneration provisions (Institutsvergütungsverordnung "InstVV"). Remuneration decisions are made by the DB Group level Remuneration Committee ("RemCo"), known as the Senior Executive Compensation Committee ("SECC"). DBUKB has a "Nomination and advisory Remuneration Committee" whose purpose is to lead the process for Board appointments, make recommendations to the Board in relation to new appointments and assessing performance. The Committee also acts in an advisory capacity regarding remuneration matters that directly impact DBUKB. However, it relies on the DB Group for overall compensation governance and oversight. This report therefore outlines the DB Group compensation policy & governance as well as specific UK related provisions as these are applicable to DBIGB and its subsidiaries.

Regulatory Environment

Ensuring compliance with regulatory requirements is an overarching consideration in DB Group's Compensation Strategy. DB Group strives to be at the forefront of implementing regulatory requirements with respect to compensation and to be in compliance with all existing and new requirements.

As an EU-headquartered institution, DB Group is subject to the Capital Requirements Regulation/Directive ("CRR/CRD") globally covering prudential rules, including remuneration, for banks and investment firms. In addition to the global regulatory requirements, DBUKB as a dual-regulated level one firm must also comply with the provisions in the FCA's Handbook & the Remuneration Part of the PRA Rulebook. In accordance with the criteria stipulated in the PRA Rulebook/ FCA Handbook DBUKB identifies all employees whose work is deemed to have a material impact on the overall risk profile (Material Risk Takers or MRTs1) of DBUKB. Any adjustments to global practice required to meet the UK regulatory requirements must also ensure that the provisions of the German Banking Act (KWG) and the InstVV are also met. As such where an employee is captured as MRT under multiple regimes, the more stringent remuneration rule is applied to ensure collective adherence to applicable remuneration rules e.g., 7-year deferral period for higher paid PRA SMFs (senior management function)/ Management board members of PRA/FCA regulated level one firms.

At end 2022 DTCL was regulated by the FCA as a small and non-interconnected MIFID investment firm and as such was required to disclose Remuneration information as part of this Disclosures Report. Effective 20th February 2023, FCA approved a change in DTCL's regulatory permission as requested by DTCL. Following the change in permissions, DTCL is now regulated by the FCA as a non MIFID investment firm subject to the FCA's IPRU-INV Chapter 5 Regime and as such is no longer subject to the FCA's Pillar 3 Remuneration disclosure requirements.

Compensation governance

Deutsche Bank has a robust governance structure enabling it to operate within the clear parameters of its Compensation Strategy and Policy. DBIGB and its subsidiary companies are subject to the remuneration decisions made by the DB Group Management Board, which is supported by specific remuneration committee, the SECC. In line with their responsibilities, DB Group'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 Variable Compensation ("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.

Senior Executive Compensation Committee

The SECC is a delegated committee established by the DB Group 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 the Deutsche Bank A.G. Management Board member responsible for Human Resources and the Chief Financial Officer as Co-Chairpersons, the Global Head of Compliance, the Global 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

Deutsche Bank recognises 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 bank's objectives. The Compensation and Benefits Strategy is built on three core pillars that support the bank's global, client-centric business and risk strategy, reinforced by safe and sound compensation practices that operate within the bank'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 VC – together forming Total Compensation ("TC"). It aligns incentives for sustainable performance at all levels of Deutsche Bank 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.

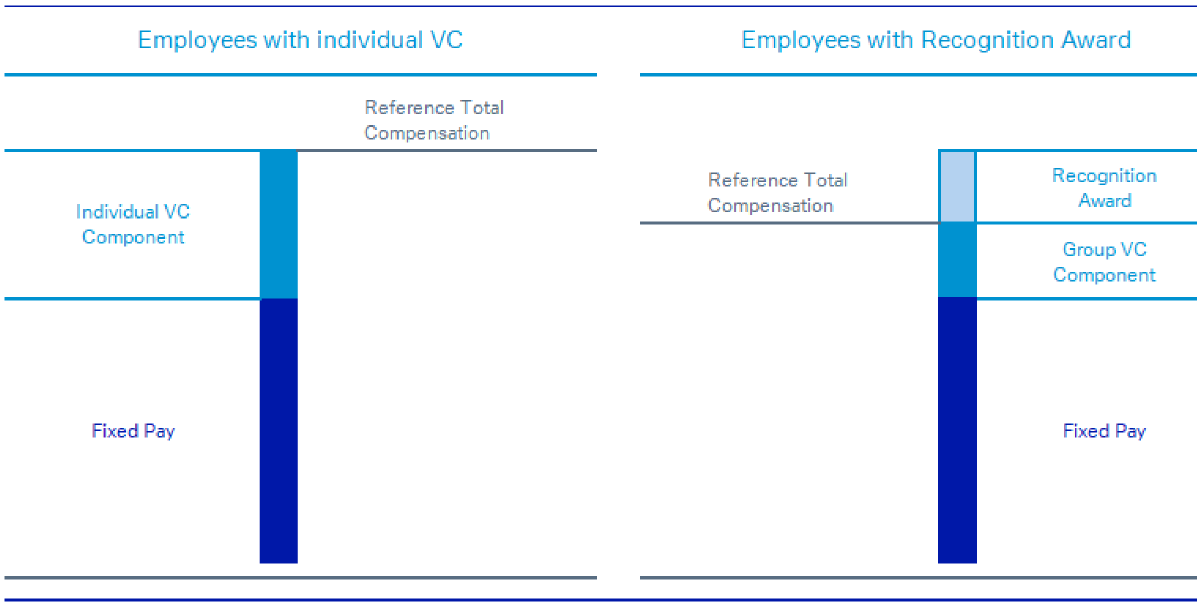
Pursuant to CRD and the requirements adopted in the Remuneration Structures of FCA Handbook/ PRA Rulebook remuneration part, Deutsche Bank is subject to a maximum ratio of 1:1 with regard to fixed-to-variable remuneration components, which was increased to 1:2 for a limited population with shareholder 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, DB Group has determined that employees in specific infrastructure functions (such as Legal, Group Tax and Human Resources) should continue to be subject to a maximum ratio of 1:1 while Control Functions 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.

DB Group 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.

FP 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.

VC reflects affordability and performance at DB Group, divisional, and individual level. It allows the bank to differentiate individual performance and to drive behavior 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



Severance payments are considered variable compensation, the bank's severance framework ensures full alignment with the respective regulators' requirements.

Employee benefits complement TC 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 bank's benefits portfolio globally.

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 DB Group'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 assesses DB Group's profitability, solvency and liquidity position in line with its Risk Appetite Framework, including a holistic review against DB Group's multi-year strategic plan to determine what DB Group "can" award in line with regulatory requirements (i.e., Group affordability). During this assessment, the bank also considers other limitations such as cost constraints. The proportion of the VC pools that is related to Group performance is determined based on the performance of a selected number of Group's KPIs, such as CET1 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, DB Group assesses divisional risk-adjusted performance, i.e., what DB Group "should" award in order to provide an appropriate compensation for contributions to the bank'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 – nonfinancial 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 Deutsche Bank 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 DB Group'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 nonfinancial 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 shares are used as instruments and as an effective way to align compensation with Deutsche Bank's sustainable performance and the interests of shareholders.

For all MRTs, at least 40% of MRT's VC is deferred in line with the regulatory requirements for four, five or seven years (depending on the MRT category). As per the provisions laid out in the PRA Rulebook (Remuneration part) & FCA Handbook, where VC exceeds £44,000 or VC exceeds 33% of total remuneration, at least 40% of VC is deferred. Where VC exceeds £500,000 or for Management Board members of DBUKB, at least 60% of VC is deferred. 50% of both upfront and deferred awards are granted as equity, with a one-year retention period for all equity awards following the vesting of each tranche. For 'Higher paid1' PRA designated Senior Management Function Holders ("SMFs"), 7 years deferral period is applied to deferred VC (with pro-rata vesting after three years), For 'Non-higher paid' PRA SMFs, FCA designated SMFs, Non-SMF members of DBUKB's Management Board/senior management 5 years deferral period is applied to the deferred VC. For all other MRTs based on identification criteria VC deferral period varies from 4 to 5 years.

Where an employee is identified as an MRT under different regimes e.g., provisions of InstVV, the more stringent remuneration rule is applied to an employee's VC to ensure compliance with regulatory requirements of all regimes & internal policies.

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

Overview on 2023 award types

Award Type	Description	Beneficiaries	Deferral Period	Retention Period	Proportion
Upfront: Cash VC	Upfront cash portion	All eligible employees	N/A	N/A	50% of upfront VC: MRTs with VC > £44000 or where VC exceeds1/3 of TC Non-MRTs 100% of upfront VC with 2023 TC ≤ € 500,000
Upfront: Equity Upfront Award (EUA)	Upfront equity portion (linked to Deutsche Bank's share price over the retention period)	All MRTs with VC > £ 44,000 or where VC exceeds 1/3 of TC All employees with 2023 TC > € 500,000	N/A	12 months	50% of upfront VC
Deferred: Restricted Incentive Award (RIA)	Deferred cash portion	All employees with deferred VC	*Pro-rated vesting after 3 years of grant date*: Higher paid[1] PRA SMF: 7 years *Equal tranche vesting:* Non Higher paid PRA SMF, FCA SMF, non-SMF Management Board members & Higher paid[1] qualitative MRTs based on identification criteria: 5 years All other MRTs: 4 years	N/A	50% of deferred VC
Deferred: Restricted Equity Award (REA)	Deferred equity portion (linked to Deutsche Bank's share price over the vesting and retention period)	All employees with deferred VC	*Pro-rated vesting after 3 years of grant date*: Higher paid[1] PRA SMF: 7 years *Equal tranche vesting:* Non Higher paid PRA SMF, FCA SMF, non-SMF Management Board members & Higher paid[1] qualitative MRTs based on identification criteria: 5 years All other MRTs: 4 years	12 months for MRTs	50% of deferred VC

N/A – Not applicable
[1] Higher Paid MRT: Where total remuneration exceeds £500,000 or VC exceeds 33% of total remuneration.

Ex-post risk adjustment of variable compensation

In line with regulatory requirements relating to ex-post risk adjustment of variable compensation, DB Group believes that a long-term view on conduct, performance conditions and forfeiture provisions are a key element of the Bank's deferred compensation structures. DB Group ensure that awards are aligned to sustainable risk management, conduct and performance. In addition to forfeiting deferred compensation, the Bank may also clawback VC and severance payments (which have already been paid out or delivered to an MRT) in exceptional cases, where:

(i) the MRT's actions or omissions have amounted to misbehaviour or material error; and/or

(ii) DBUKB as applicable, or the relevant business unit has suffered a material failure of risk management.

The clawback period for MRTs is seven years from the date the award is granted. For higher paid[21] PRA SMF MRTs, this period is extended to 10 years from the date the award is granted where a DB Group company has commenced an investigation or has been notified by any competent regulatory authority that an investigation has been commenced, into facts or events which could potentially lead to the application of clawback were it not for the expiry of the seven-year clawback period.

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 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	– Up to 100% of delivered deferred award for a period of 5 years / 7 years (higher paid MRTs) from grant date. For higher paid PRA SMF MRTs, period is extended to 10 years from grant date. For upfront award one year from award date

[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.

[21]Higher Paid MRT: Where total remuneration exceeds £500,000 or VC exceeds 33% of total remuneration.

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 Deutsche Bank. In particular, DB Group management must ensure that compensation decisions are not detrimental to maintaining DB Group's sound capital base and liquidity reserves.

Despite a persistently difficult macroeconomic environment, Deutsche Bank has demonstrated resilience and achieved sustainable business growth and revenues, resulting in a pre-tax profit of €5.7 billion.

2023 was a successful year for Deutsche Bank, further proving the strength of its Global Hausbank model: a client centric approach coupled with targeted investment decisions, without losing focus on continued cost discipline, capital generation and strong controls. The bank reconfirmed a measured and forward-looking approach when deciding on variable compensation for 2023. This approach balanced the need to grow sustainably whilst remaining within the boundaries of cost commitments as well as remunerating employees fairly and competitively based on performance. This resulted in VC levels for 2023 that are more conservative than the bank's financial performance might have indicated. As in previous years, the SECC continuously monitored and reviewed the implications of potential VC awards, both for the bank's capital and liquidity base and for its ambitious cost targets.

Material Risk Taker Compensation Disclosure

For performance year 2023, 25 employees were identified as MRTs for DBUKB according to the Remuneration Code set out in the PRA Rulebook & FCA Handbook. Of these MRTs, 9 MRTs are direct staff of DBIGB Group & 16 MRTs are staff of other DB entities whose role has a material impact on the risk profile of DBUKB. For the purpose of remuneration disclosure of DBIGB employees, the remuneration elements of direct staff of DBIGB Group are provided in this report, i.e., remuneration disclosure of MRTs includes the remuneration of 9 MRTs, who are direct staff of DBIGB group. The disclosure excludes MRTs who are not direct staff of DBIGB group i.e., staff of other DB entities such as control function staff.

Remuneration awarded for the Financial Year – Material Risk Takers[22] (REM 1)

in £000 (unless stated otherwise)[23]	**MB Supervisory function[24]**	**MB Management function + Other Identified Staff[25]**	**Other senior management[526]**
Fixed Remuneration			
Number of identified staff	3	6	-
Total fixed remuneration	275	2,669	-
Of which: cash based	275	2,669	-
Of which: shares or equivalent ownership interests	-	-	-
Of which: share-linked instruments or equivalent non-cash instruments	-	-	-
Of which: other instruments	-	-	-
Of which: other forms	-	-	-
Variable Remuneration			
Number of identified staff	3	6	-
Total variable remuneration	-	1,590	-
Of which: cash based	-	795	-
Of which: deferred	-	529	-
Of which: shares or equivalent ownership interests	-	795	-
Of which: deferred	-	529	-
Of which: share-linked instruments or equivalent non-cash instruments	-	-	-
Of which: deferred	-	-	-
Of which: other instruments	-	-	-
Of which: deferred	-	-	-
Of which: other forms	-	-	-
Of which: deferred	-	-	-
Total remuneration	**275**	**4,259**	**-**

[22] MRTs reported only include MRTs who are direct staff of DBIGB Group.
[23] The table may contain marginal rounding differences. FX conversion rate is as on 31.12.2023 EUR 1 = GBP 0.86767.
[24] "MB Supervisory function" indicates 3 external Board members who are paid an annual Independent Non-Executive Director fee.
[25] As there are only 2 DBIGB Group employees in 'MB Management Function' & 4 employees in 'Other identified staff' the compensation data elements are reported together to maintain confidentiality of individual staff compensation.
[26] Other Senior Management are PRA and/or FCA SMF holders as defined by FCA's Senior Management Arrangements, Systems and Controls ("SYSC") Handbook 27: Senior Manager and Certification Regime ("SMCR"): Certification Regime (27.8.4). The column is not populated as 7 out of 12 SMFs of DBUKB are not direct staff of DBIGB Group, the balance 5 SMFs who are direct staff of DBIGB Group are also Management Board members of DBUKB, the remuneration for these staff is captured either under "MB Management function" or "Management Supervisory function" columns.

Guaranteed Variable Remuneration and Severance Payments – Material Risk Takers[27] (REM 2)

in £000 (unless stated otherwise)[28]	**MB Supervisory function**	**MB Management function + Other identified Staff[29]**	**Other senior management**
Guaranteed variable remuneration awards			
	No.	No.	No.
Number of identified staff	-	-	-
	-	-	-
Total amount	-	-	-
Of which: awards paid during the year, that are not taken into account in the bonus cap	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year			
	No.	No.	No.
Number of identified staff	-	-	-
	-	-	-
Total amount	-	-	-
Severance payments awarded during the financial year			
	No.	No.	No.
Number of identified staff	-	-	-
	-	-	-
Total amount	-	-	-
Of which paid during the financial year	-	-	-
Of which deferred	-	-	-
Of which not taken into account in the bonus cap	-	-	-
Of which highest payment awarded to a single person	-	-	-

[27] MRTs reported only include MRTs who are direct staff of DBIGB Group
[28] The table may contain marginal rounding differences. FX conversion rate is as on 31.12.2023 EUR 1 = GBP 0.86767
[29] As there are only 2 DBIGB employees in 'MB Management Function' & 4 employees in 'Other identified staff' the compensation data elements are reported together to maintain confidentiality of individual staff compensation.

Deferred Remuneration – Material Risk Takers[30]

in £000 (unless stated otherwise)[31]	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[32]	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 subject to retention periods[33]
MB Supervisory function	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cash based	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
MB Management function + Other identified staff[34]	**3,655**	**1,194**	**2,461**	-	-	**173**	**1,194**	**214**
Cash based	1,899	560	1,339	-	-	-	560	-
Shares or equivalent ownership interests	1,755	634	1,122	-	-	173	634	214
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-

[30] MRTs referenced throughout the document refers to PRA/FCA MRTs unless stated otherwise. MRTs reported only include MRTs who are direct staff of DBIGB Group.
[31] The table may contain marginal rounding differences. FX conversion rate is as on 31.12.2023 EUR 1 = GBP 0.86767
[32] Changes of value of deferred remuneration due to the changes of prices of instruments.
[33] Defined as remuneration awarded before the financial year which vested in the financial year (including where subject to a retention period).
[34] As there are only 2 DBIGB employees in 'MB Management Function' & 4 employees in 'Other identified staff' the compensation data elements are reported together to maintain confidentiality of individual staff compensation.

	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[35]	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 subject to retention periods[36]
Other senior management[37]	-	-	-	-	-	-	-	-
Cash based	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Total amount	**3,655**	**1,194**	**2,461**	**-**	**-**	**173**	**1,194**	**214**

[35] Changes of value of deferred remuneration due to the changes of prices of instruments.

[36] Defined as remuneration awarded before the financial year which vested in the financial year (including where subject to a retention period).

[37] Other Senior Management are PRA and/or FCA SMF holders as defined by SYSC 27: Senior Manager and Certification Regime ("SMCR"): Certification Regime (27.8.4). The column is not populated as 7 out of 12 SMFs of DBUKB are not direct staff of DBIGB Group the balance 5 SMFs who are direct staff of DBIGB group are also Management board members of DBUKB, the remuneration for these staff is captured either under "MB Management function" or Management Supervisory function columns.

Remuneration of 1 million EUR or more per year (REM 4)

	Identified staff that are high earners[38]
	No.
EUR 1 million to below EUR 1.5 million	2
EUR 1.5 million to below EUR 2 million	-
Over EUR 2 million	-

Compensation Awards 2023 – Material Risk Takers[39] (REM 5)

	Management body + Business areas		
in £000 (unless stated otherwise)[40]	MB Supervisory function[41]	MB Management function + Private Bank[42]	Total
	No.		No.
Total number of identified staff			9
Board members	3	2	
Other senior management		-	
Other identified staff		4	
Total remuneration of identified staff	275	4,259	
Variable remuneration	-	1,590	
Fixed remuneration	275	2,669	

[38] MRTs reported only include MRTs who are direct staff of DBIGB Group
[39] MRTs reported only include MRTs who are direct staff of DBIGB Group
[40] The table may contain marginal rounding differences. FX conversion rate is as on 31.12.2023 EUR 1 = GBP 0.86767.
[41] MB Supervisory function indicates 3 external board members who are paid an annual Independent Non-Executive Directors fee.
[42] As there are only 2 DBIGB Group employees in ‘MB Management Function’ & 4 employees in ‘Other identified staff’ the compensation data elements are reported together to maintain confidentiality of individual staff compensation.

Glossary

AT1	Additional Tier One Capital
Boards	The Boards of the companies in the DBIGB Group
CET1	Common Equity Tier One
CIR	Cost/income ratio
CRM	DB Group’s Credit Risk Management Function
CRR	European Union Capital Requirements Regulation as implemented in the UK
CRR/CRD	European Union Capital Requirements Regulation/Capital Requirements Directive as implemented in the UK
DB Group	Deutsche Bank A.G. and its subsidiaries and associates
DBIGB	DB Investments (GB) Limited
DBIGB Group	DB Investments (GB) Limited and its subsidiaries
DBUKB	DB UK Bank Limited
DHL	Deutsche Holdings Limited
DTCL	Deutsche Trustee Company Limited
ECL	Expected Credit Loss
ESG	Environmental, Social and Governance Strategy
EU	European Union
FCA	Financial Conduct Authority
FP	Fixed Pay
HQLA	High Quality Liquid Assets
HR	DB Group’s Human Resources Function
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
InstVV	German Ordinance for remuneration provisions (Institutsvergütungsverordnung)
KPIs	Key Performance Indicators
KPIs & KRIs	Key Performance and Risk Indicators
LCR	Liquidity Coverage Ratio
LREQ	PRA’s Leverage Ratio Regime
MB	Management Board
MIFID	Markets in Financial Instruments Directive
MRT	Material Risk Takers
MSCI	Morgan Stanley Capital International
NFRM	DB Group’s Non-Financial Risk Management Function
NSFR	Net Stable Funding Ratio
PB	Private Bank
PBT	Profit before Tax
PRA	Prudential Regulation Authority
RemCo	Remuneration Committee
RoTE	Post-Tax Return on Tangible Equity
RTC	Reference Total Compensation
RWA	Risk Weighted Assets/Exposure Amount
SECC	Senior Executive Compensation Committee
SMCR	Senior Manager and Certification Regime
SMF	Senior Management Function
SYSC	Senior Management Arrangements, Systems and Controls Section of the FCA Handbook

TC	Total Compensation
TCFD	Task Force on Climate-related Financial Disclosures
T2	Tier Two Capital
VC	Variable Compensation

End of Report