Deutsche Bank

Pillar 3 Report as of September 30, 2024

Contents

Regulatory framework

Basis of Presentation

Article 431 (1), (2) CRR, 433 CRR and 433a CRR
This Pillar 3 Report provides disclosures for the consolidated Deutsche Bank Group (the Group or 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 (EU) 2013/36 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 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 German law by means of further amendments to the German Banking Act (Kreditwesengesetz or KWG) and the German Solvency Regulation (SolvV) and accompanying regulations. Jointly, these laws and regulations represent the regulatory framework applicable in Germany.

The disclosure requirements are provided in Part Eight of the CRR and in Section 26a of the KWG. 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) No 575/2013” (EBA ITS). The Group adheres to the frequency of disclosure requirements as per Article 433 and 433a of the CRR and as provided within these EBA Guidelines and includes comparative periods in accordance with the requirements of EBA ITS. For those disclosures required only on an annual basis, the comparative period is the prior year. For those disclosures only required on a semi-annual basis, the comparative period is the prior half-year. Disclosures required on a quarterly basis generally include comparative information for prior quarter.

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.

Basel 3 and CRR/CRD

The CRR/CRD lays the foundation for the calculation of the minimum regulatory requirements with respect to own funds and eligible liabilities, the liquidity coverage ratio and the net stable funding ratio.

There is still uncertainty as to how some of the CRR/CRD rules should be interpreted and there are still related binding Technical Standards for which a final version is not yet available. Thus, the Group will continue to refine assumptions and models in line with evolution of these regulations as well as the industry’s understanding and interpretation of the rules. Against this background, current CRR/CRD measures may not be comparable to previous expectations. Also, CRR/CRD measures may not be comparable with similarly labeled measures used by competitors, as their assumptions and estimates may differ from Deutsche Bank’s.

MREL and TLAC

Banks in the European Union are required to meet at all times a minimum requirement for own funds and eligible liabilities (MREL) which ensures that banks have sufficient loss absorbing capacity in resolution to avoid recourse to taxpayers’ money. Relevant laws are the Single Resolution Mechanism Regulation (SRMR) and the Bank Recovery and Resolution Directive (BRRD) as implemented through the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz, SAG).

In addition, the CRR requires G-SIIs in Europe to have at least the maximum of 18% plus the combined buffer requirement of risk weighted assets (RWA) and 6.75% of leverage exposure as total loss absorbing capacity (TLAC).

Instruments which qualify for MREL and TLAC as own funds are Common Equity Tier 1, Additional Tier 1, and Tier 2 along with certain eligible liabilities (mainly plain-vanilla unsecured bonds). Instruments qualifying for TLAC need to be fully subordinated to general creditor claims (e.g., senior non-preferred bonds). While this is not required for MREL, MREL regulations allow the Single Resolution Board (SRB) to also set an additional subordination requirement within the MREL requirements (but separate from TLAC), which allows only subordinated liabilities and own funds to be counted.

MREL is determined by the competent resolution authorities for each supervised bank and its preferred resolution strategy. In the case of Deutsche Bank AG, MREL is determined by the SRB. While there is no statutory minimum level of MREL, the CRR, SRMR, BRRD and delegated regulations set out criteria which the resolution authority must consider when determining the relevant required level of MREL. Guidance is provided through a MREL policy published annually by the SRB. Any binding MREL ratio determined by the SRB is communicated to Deutsche Bank via the German Federal Financial Supervisory Authority (BaFin). Deutsche Bank AG received its current total MREL and current subordinated MREL requirement with immediate applicability in the second quarter of 2024.

ICAAP, ILAAP and SREP

The internal capital adequacy assessment process (ICAAP) as stipulated in Pillar 2 of Basel requires banks to identify and assess risks, to apply effective risk management techniques and to maintain adequate capitalization. The Group's internal liquidity adequacy assessment process (ILAAP) aims to ensure that sufficient levels of liquidity are maintained on an ongoing basis by identifying the key liquidity and funding risks to which the Group is exposed, by monitoring and measuring these risks, and by maintaining tools and resources to manage and mitigate these risks.

In accordance with Article 97 CRD supervisors regularly review, as part of the supervisory review and evaluation process (SREP), the arrangements, strategies, processes, and mechanisms implemented by banks and evaluate: (a) risks to which the institution is or might be exposed; (b) risks the institution poses to the financial system; and (c) risks revealed by stress testing.

Key metrics

Article 447 (a-g) and Article 438 (b) CRR

The following table highlights Deutsche Bank's key regulatory metrics and ratios, and related input components as defined by CRR and CRD. In line with disclosure requirements the Liquidity Coverage Ratio is based on 12 months rolling averages and the other metrics are based on spot information.

EU KM1 – Key metrics

		a	b	c	d	e
	in € m. (unless stated otherwise)	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET 1) capital	49,183	48,113	47,672	48,066	49,401
2	Tier 1 capital	59,061	57,992	56,050	56,395	57,729
3	Total capital[1]	66,721	66,441	64,645	65,005	66,764
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	356,496	356,427	354,830	349,742	354,311
	Capital ratios (as percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.8	13.5	13.4	13.7	13.9
6	Tier 1 ratio (%)	16.6	16.3	15.8	16.1	16.3
7	Total capital ratio (%)[1]	18.7	18.6	18.2	18.6	18.8
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.65	2.65	2.65	2.70	2.70
EU 7b	of which: to be made up of CET 1 capital (percentage points)	1.5	1.5	1.5	1.5	1.5
EU 7c	to be made up of Tier 1 capital (percentage points)	2.0	2.0	2.0	2.0	2.0
EU 7d	Total SREP own funds requirements (%)	10.7	10.7	10.7	10.7	10.7
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0	0.0	0.0	0.0	0.0
9	Institution specific countercyclical capital buffer (%)	0.49	0.50	0.45	0.45	0.46
EU 9a	Systemic risk buffer (%)	0.2	0.2	0.2	0.2	0.2
10	Global Systemically Important Institution buffer (%)	1.5	1.5	1.5	1.5	1.5
EU 10a	Other Systemically Important Institution buffer (%)	2.0	2.0	2.0	2.0	2.0
11	Combined buffer requirement (%)	5.2	5.2	5.2	5.1	5.1
EU 11a	Overall capital requirements (%)	15.8	15.8	15.8	15.8	15.8
12	CET 1 available after meeting the total SREP own funds requirements (%)	7.8	7.5	7.4	7.7	7.9
	CET 1 available after meeting the total SREP own funds requirements	27,826	26,761	26,415	27,016	28,075
	Leverage ratio					
13	Leverage ratio total exposure measure	1,283,672	1,261,804	1,253,772	1,240,318	1,235,211
14	Leverage ratio (%)	4.6	4.6	4.5	4.5	4.7
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.1	0.1	0.1	0.0	0.0
EU 14b	of which: to be made up of CET 1 capital (percentage points)	0.0	0.0	0.0	0.0	0.0
EU 14c	Total SREP leverage ratio requirements (%)	3.1	3.1	3.1	3.0	3.0
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.75	0.75	0.75	0.75	0.75
EU 14e	Overall leverage ratio requirements (%)	3.85	3.85	3.85	3.75	3.75
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	220,529	218,330	215,681	214,710	214,118
EU 16a	Cash outflows - Total weighted value	219,478	217,413	214,663	211,856	212,256
EU 16b	Cash inflows - Total weighted value	56,182	56,500	56,526	54,801	55,396
16	Total net cash outflows (adjusted value)	163,296	160,913	158,138	157,055	156,861
17	Liquidity coverage ratio (%)	135	136	136	137	137
	Net Stable Funding Ratio					
18	Total available stable funding	613,321	611,827	606,377	605,189	599,987
19	Total required stable funding	501,874	501,813	494,797	498,548	495,129
20	NSFR ratio (%)	122	122	123	121	121

[1] The EBA Report on the monitoring of Additional Tier 1, Tier 2 and TLAC/MREL Eligible Liabilities instruments (EBA/REP/2024/11) published on June 27, 2024, has no impact on T1 capital as the AT1 instruments are classified as equity in IFRS; as of June 30, 2024, both Tier 2 capital and total capital would have reduced by € 0.8 billion, resulting in a reduction of 21bps on the total capital ratio; starting with the third quarter 2024 Deutsche Bank implemented the requirements for Tier 2 capital calculation

Key metrics of own funds and eligible liabilities

Article 447 (h) CRR and Article 45i(3)(a,c) BRRD

EU KM2 – Key metrics - MREL and G-SII Requirement for own funds and eligible liabilities (TLAC)

		Minimum requirement for own funds and eligible liabilities (MREL)		G-SII Requirement for own funds and eligible liabilities (TLAC)				
		a		b	c	d	e	f
in € m. (unless stated otherwise)		Sep 30, 2024	Jun 30, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2024	Sep 30, 2023
	Own funds and eligible liabilities, ratios and components							
1	Own funds and eligible liabilities	130,891	127,083	117,025	113,115	111,079	114,106	116,177
EU 1a	Own funds and subordinated liabilities	117,025	113,115	–	–	–	–	–
2	Total risk exposure amount of the resolution group (TREA)	356,496	356,427	356,496	356,427	354,830	349,742	354,311
3	Own funds and eligible liabilities as percentage of TREA	36.72	35.65	32.83	31.74	31.30	32.63	32.79
	of which:							
EU 3a	Own funds and subordinated liabilities	32.83	31.74	–	–	–	–	–
4	Total exposure measure of the resolution group (TEM)	1,283,672	1,261,804	1,283,672	1,261,804	1,253,772	1,240,318	1,235,211
5	Own funds and eligible liabilities as percentage of TEM	10.20	10.07	9.12	8.96	8.86	9.20	9.41
	of which:							
EU 5a	Own funds and subordinated liabilities	9.12	8.96	–	–	–	–	–
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)	–	–	no	no	no	no	no
6b	Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)	–	–	0	0	0	0	0
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognized under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognized under row 1 if no cap was applied (%)	–	–	0	0	0	0	0
	Minimum requirement for own funds and eligible liabilities (MREL)							
EU 7	MREL requirement expressed as percentage of the TREA	30.96	30.97	–	–	–	–	–
	of which:							
EU 8	to be met with own funds or subordinated liabilities	24.58	24.59	–	–	–	–	–
EU 9	MREL requirement expressed as percentage of TEM	6.95	6.95	–	–	–	–	–
	of which:							
EU 10	to be met with own funds or subordinated liabilities	6.95	6.95	–	–	–	–	–

As of September 30, 2024 the MREL ratio was 36.72% of Total Risk Exposure Amount (TREA) compared to a requirement of 30.96% of TREA including a 5.19% combined buffer requirement, equaling a surplus of € 20.5 billion above the bank’s MREL requirement. The subordinated MREL ratio was 9.12% of Total Exposure Measure (TEM) compared to a requirement of 6.95% of TEM. The subordinated MREL surplus is € 27.8 billion.

As of September 30, 2024 the TLAC ratio was 32.83% of TREA compared to a requirement of 23.19% including a 5.19% combined buffer requirement, resulting in a surplus of € 34.3 billion. TLAC was 9.12% of TEM compared to a requirement of 6.75%, which corresponds to a surplus of € 30.4 billion.

Capital

IFRS 9 / Article 468 CRR transitional arrangements on own funds

Article 473a CRR, Article 468 CRR

As of September 30, 2024, there was no capital add back for the IFRS 9 transitional arrangements from the dynamic component, which compares the credit loss allowance levels since January 1, 2020 and the reporting date.

Starting with the third quarter 2024, Deutsche Bank adopted the transitional arrangements in relation to the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 CRR. As per Regulation (EU) 2024/1623 the transitional rule as per article 468 CRR applies until year-end 2025. The impact of this implementation is presented in the table below.

IFRS 9/Article 468-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs (Expected Credit Losses), and with and without the application of the temporary treatment in accordance with Article 468 of the CRR

		Sep 30, 2024
		a
	Available capital (in € m.)	
1	Common Equity Tier 1 (CET 1) capital	49,183
2	Common Equity Tier 1 (CET 1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	49,183
2a	CET1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI (other comprehensive income) in accordance with Article 468 of the CRR had not been applied	48,393
3	Tier 1 capital	59,061
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	59,061
4a	Tier 1 capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	58,272
5	Total capital	66,721
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	66,721
6a	Total capital as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	65,932
	Risk-weighted assets (in € m.)	
7	Total risk-weighted assets	356,496
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	356,496
	Total risk-weighted assets as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	356,356
	Capital ratios	
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	13.8
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.8
10a	CET1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	13.6
11	Tier 1 (as a percentage of risk exposure amount)	16.6
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.6
12a	Tier 1 (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	16.4
13	Total capital (as a percentage of risk exposure amount)	18.7
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.7
14a	Total capital (as a percentage of risk exposure amount) as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	18.5
	Leverage ratio	
15	Leverage ratio total exposure measure	1,283,672
	Leverage ratio total exposure measure as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	1,282,576
16	Leverage ratio	4.6
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.6
17a	Leverage ratio as if the temporary treatment of unrealised gains and losses measured at fair value through OCI in accordance with Article 468 of the CRR had not been applied	4.5

Capital requirements

Overview of RWA and capital requirements

Article 438 (d) CRR
The table below shows RWA broken down by risk types and model approaches compared to the previous quarter end. 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

		Sep 30, 2024		Jun 30, 2024	
		a	c1	b	c2
	in € m.	RWA	Minimum capital requirements	RWA	Minimum capital requirements
1	Credit risk (excluding CCR)	219,263	17,541	223,296	17,864
	of which:				
2	The standardized approach (SA)	18,412	1,473	19,123	1,530
3	The foundation IRB (FIRB) approach	782	63	1,188	95
4	Slotting approach	316	25	342	27
EU 4a	Equities under the simple riskweighted approach	9,601	768	10,150	812
5	The advanced IRB (AIRB) approach	190,152	15,212	192,492	15,399
6	Counterparty credit risk (CCR)	25,461	2,037	24,710	1,977
	of which:				
7	The standardized approach	1,316	105	1,081	87
8	Internal model method (IMM)	15,495	1,240	13,901	1,112
EU 8a	Risk exposure to a CCP	3,486	279	3,445	276
EU 8b	Credit Valuation Adjustment (CVA)	2,967	237	3,883	311
9	Other CCR	2,196	176	2,400	192
15	Settlement risk	4	0	97	8
16	Securitization exposures in the banking book (after the cap)	15,423	1,234	14,373	1,150
	of which:				
17	SEC-IRBA approach	8,346	668	7,520	602
18	SEC-ERBA (including IAA)	478	38	561	45
19	SEC-SA approach	5,623	450	5,446	436
EU 19a	1250% / deduction	976	78	846	68
20	Market risk	25,995	2,080	21,729	1,738
	of which:				
20	Standardized approach	3,536	283	3,457	277
21	IMA	22,460	1,797	18,272	1,462
EU 22a	Large exposures	0	0	0	0
23	Operational risk	57,691	4,615	58,831	4,706
	of which:				
EU 23a	Basic indicator approach	0	0	0	0
EU 23b	Standardized approach	0	0	0	0
EU 23c	Advanced measurement approach	57,691	4,615	58,831	4,706
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	12,659	1,013	13,390	1,071
29	Total	**356,496**	**28,520**	356,427	28,514

As of September 30, 2024, RWA were € 356.5 billion compared to € 356.4 billion as of June 30, 2024. The increase of € 0.1 billion was primarily driven by RWA for market risk, for securitization exposures in the banking book (after the cap) and for counterparty credit risk (CCR), which was partly offset by RWA for credit risk (excluding counterparty credit risk), for operational risk and for amounts below thresholds for deduction (subject to 250% risk weight).

Market risk RWA increased by € 4.3 billion, primarily driven by an increase in the Stressed-Value-at-Risk (SVaR) due to specific risk positions within Fixed Income and Currencies Trading businesses which were particularly sensitive to the Lehman Crisis SVaR window as well as incremental risk charge component due to increased exposures. This was partly offset by Value-at-Risk component due to overall reduced volatility. RWA for securitization exposures in the banking book (after the cap) increased by € 1.1 billion mainly driven by increased exposures in the securitization internal rating-based approach (SEC-IRBA), reflecting business movements and new synthetic securitizations in the third quarter of 2024. Counterparty credit risk RWA increased by € 0.8 billion, mainly driven by higher RWA for counterparty credit risk under the internal model method of € 1.6 billion, predominantly reflecting increased exposures for derivatives. This increase was partly offset by a reduction of € 0.9 billion for credit valuation adjustment RWA, mainly driven by increased hedging benefit and reduced exposure.

The aforementioned increases were partly offset by credit risk RWA (excluding counterparty credit risk), which decreased by € 4.0 billion, mainly driven by RWA under the internal rating-based approach, which decreased by € 2.8 billion mainly due to foreign exchange movements and capital efficiency measures, partly offset by model updates, business growth, updates in methodology and policy as well as counterparty rating deteriorations. RWA under the standardized approach decreased by € 0.7 billion mainly due to decreased exposures in exposure class “corporates”. RWA for equities under the simple risk weight approach decreased by € 0.5 billion, mainly driven by decreased exposures for exchange traded equities and sufficiently diversified private equities. Deutsche Bank´s operational risk RWA decreased by € 1.1 billion reflecting partial settlement of Postbank takeover litigation. Furthermore, RWA for amounts below the thresholds for deduction (subject to 250% risk weight) decreased by € 0.7 billion, primarily driven by lower RWA for deferred tax assets.

The movements of RWA for credit and market risk are discussed below in sections “Development of credit risk RWA”, “CCR exposures development” and “Development of market risk RWA”.

Credit risk exposure and credit risk mitigation in the internal-rating-based approach

Development of credit risk RWA

Article 438 (h) CRR
The following table provides an analysis of key drivers for RWA movements observed for credit risk, excluding counterparty credit risk, covered in the IRB approaches in the current and previous reporting period.

EU CR8 – RWA flow statement of credit risk exposures under the IRB approach

		Three months ended Sep 30, 2024	Three months ended Jun 30, 2024
		a	a
	in € m.	RWA	RWA
1	Risk weighted exposure amount as at the end of the previous reporting period	**194,023**	194,273
2	Asset size	(1,366)	3,034
3	Asset quality	(2,130)	(3,416)
4	Model updates	3,605	(205)
5	Methodology and policy	501	(191)
6	Acquisitions and disposals	0	0
7	Foreign exchange movements	(3,383)	528
8	Other	0	0
9	Risk weighted exposure amount as at the end of the reporting period	**191,250**	194,023

Organic changes in the Group’s portfolio size and composition are considered in the category “asset size”. The category “asset quality” represents the effects from portfolio rating migrations, loss given default, model parameter recalibrations as well as collateral coverage and netting activities. “Model updates” include model refinements and further roll out of advanced internal models. RWA movements resulting from externally, regulatory-driven changes, e.g., applying new regulations, are considered in the “methodology and policy” section. “Acquisition and disposals” is related to significant exposure movements which can be clearly assigned to acquisition or disposal related activities. Changes that cannot be attributed to the above categories are reflected in the category “other”.

RWA for credit risk exposures under the IRB approach decreased by € 2.8 billion or 1.4% since June 30, 2024, mainly resulting from the categories “foreign exchange movements”, “asset quality” and “asset size”, partly offset by the categories “model updates” and “methodology and policy”. The decrease in category “asset quality” is primarily driven by capital efficiency measures, partly offset by counterparty rating deteriorations. Additionally, category “asset size” decreased, reflecting the business growth in the third quarter of 2024, which was more than offset by new synthetic securitizations within the Corporate Bank and the Investment Bank. The mentioned decreases were partly offset by the increase in category “model updates”, primarily due to a refinement of internal model for loss given default calculation and a margin of conservatism applied on a key model input. The increase in category “methodology and policy” mainly reflects impacts from an early adoption of rules as per Regulation (EU) 2024/1623.

Counterparty credit risk (CCR)

CCR exposures development

Article 438 (h) CRR
The following table provides an analysis of key drivers for RWA movements observed for counterparty credit risk exposures calculated under the internal model method (IMM) in the current and previous reporting period.

EU CCR7 – RWA flow statement of counterparty credit risk exposures under the internal model method

		Three months ended Sep 30, 2024	Three months ended Jun 30, 2024
		a	a
	in € m.	RWA	RWA
1	Counterparty credit risk RWA under the IMM opening balance	**14,635**	16,662
2	Asset size	1,629	(1,929)
3	Credit quality of counterparties	150	(89)
4	Model updates (IMM only)	0	0
5	Methodology and policy (IMM only)	0	0
6	Acquisitions and disposals	0	0
7	Foreign exchange movements	(215)	(10)
8	Other	0	0
9	Counterparty credit risk RWA under the IMM closing balance	**16,199**	14,635

Organic changes in portfolio size and composition are considered in the category “asset size”. The category “credit quality of counterparties” represents the effects from portfolio rating migrations, loss given default, model parameter recalibrations as well as collateral coverage and netting activities. “Model updates (IMM only)” include model refinements and further roll out of advanced internal models. RWA movements resulting from externally, regulatory-driven changes, e.g., applying new regulations, are considered in the “methodology and policy (IMM only)” category. “Acquisition and disposals” is relating to significant exposure movements which can be clearly assigned to acquisition or disposal related activities. Changes that cannot be attributed to the above categories are reflected in the category “other”.

RWA for counterparty credit risk exposures under the IMM increased by € 1.6 billion or 10.7% since June 30, 2024, primarily driven by the category “asset size”, reflecting increased exposures for derivatives. Additionally, category “credit quality of counterparties” increased due to counterparty rating deteriorations. The mentioned increases were partly offset by a decrease in category “foreign exchange movements”.

Market risk

Own funds requirements for market risk under the IMA

Development of market risk RWA

Article 438 (h) CRR
The following table provides an analysis of key drivers for movements observed for market risk RWA covered by internal models (i.e. value-at-risk, stressed value-at-risk, incremental risk charge and comprehensive risk measure) in the current and previous reporting period. It also shows the corresponding movements in capital requirements, derived from RWA with an 8% capital ratio.

EU MR2-B – RWA flow statements of market risk exposures under the IMA

							Three months ended Sep 30, 2024
		a	b	c	d	e	f	g
	in € m.	VaR	SVaR	IRC	Compre-hensive risk measure	Other[2]	Total RWA	Total capital requirements
1	Market Risk RWA opening balance	3,209	7,292	7,217	–	555	18,272	1,462
1a	Regulatory adjustment[1]	(2,414)	(5,748)	(858)	–	0	(9,021)	(722)
1b	RWA at the previous quarter-end (end of the day)	795	1,544	6,358	–	555	9,251	740
2	Movement in risk levels	32	551	(157)	–	67	493	39
3	Model updates/changes	0	0	0	–	97	97	8
4	Methodology and policy	0	0	0	–	0	0	0
5	Acquisitions and disposals	0	0	0	–	0	0	0
6	Foreign exchange movements	0	0	0	–	0	0	0
6a	Market data changes and recalibrations	(104)	818	0	–	0	714	57
7	Other	0	0	0	–	0	0	0
8a	RWA at the end of the reporting period (end of the day)	722	2,913	6,201	–	719	10,556	844
8b	Regulatory adjustment[1]	1,848	8,254	1,802	–	0	11,904	952
8	Market Risk RWA closing balance	2,570	11,167	8,003	–	719	22,460	1,797

[1] Indicates the difference between reported RWA (based on 60day average) and RWA (based on VaR / SVaR as of quarter-end) at the beginning (1b) and end (8a) of the reporting period.
[2] Includes Risk not in VaR

							Three months ended Jun 30, 2024
		a	b	c	d	e	f	g
	in € m.	VaR	SVaR	IRC	Compre-hensive risk measure	Other[2]	Total RWA	Total capital requirements
1	Market Risk RWA opening balance	4,051	4,995	7,250	–	367	16,662	1,333
1a	Regulatory adjustment[1]	(2,999)	(3,271)	(238)	–	0	(6,508)	(521)
1b	RWA at the previous quarter-end (end of the day)	1,052	1,723	7,012	–	367	10,154	812
2	Movement in risk levels	51	(56)	(654)	–	368	(292)	(23)
3	Model updates/changes	8	(11)	0	–	(180)	(182)	(15)
4	Methodology and policy	0	0	0	–	0	0	0
5	Acquisitions and disposals	0	0	0	–	0	0	0
6	Foreign exchange movements	0	0	0	–	0	0	0
6a	Market data changes and recalibrations	(316)	(113)	0	–	0	(429)	(34)
7	Other	0	0	0	–	0	0	0
8a	RWA at the end of the reporting period (end of the day)	795	1,544	6,358	–	555	9,251	740
8b	Regulatory adjustment[1]	2,414	5,748	858	–	0	9,021	722
8	Market Risk RWA closing balance	3,209	7,292	7,217	–	555	18,272	1,462

[1] Indicates the difference between reported RWA (based on 60day average) and RWA (based on VaR / SVaR as of quarter-end) at the beginning (1b) and end (8b) of the reporting period.

The market risk RWA movements due to position changes are represented in line “Movement in risk levels”. Changes to the Group’s market risk RWA internal models, such as methodology enhancements or risk scope extensions, are included in the category of “Model updates/changes”. In the “Methodology and policy” category the Group reflects regulatory driven changes to its market risk RWA models and calculations. Significant acquisitions and disposals would be assigned to the line item “Acquisition and disposals”. The impacts of “Foreign exchange movements” are not calculated for IMA (Internal Models Approach) components. Changes in market data levels, return assumptions for negative market levels, volatilities, correlations, liquidity and ratings are included under the “Market data changes and recalibrations” category.

As of September 30, 2024, the IMA components for market risk totaled € 22.5 billion, an increase of € 4.2 billion since June 30, 2024. The increase in RWA is driven by higher stressed value-at-risk (60 day average) and incremental risk charge. The increase in stressed value-at-risk is mainly driven by specific risk positions within Fixed Income and Currencies Trading business which were particularly sensitive to the Lehman Crisis SVaR window (2008-09) and increase in incremental risk charge is driven by changes in sovereign bond positioning under Fixed Income and Currencies Trading business. This increase is partially offset by lower value-at-risk (60 day average) due to roll-off of high volatility period from the historical VaR observation period.

Liquidity risk

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.

The Group’s average Liquidity Coverage Ratio of 135% (twelve months average) as of September 30, 2024 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 Group’s Liquidity Coverage Ratio was 135% as of September 30, 2024, or € 60 billion of excess over the regulatory minimum of 100%. This is broadly comparable with June 30, 2024 LCR of 136% or € 58 billion of excess over the regulatory minimum

Concentration of funding and liquidity sources

Diversification of the Group’s funding profile in terms of investor types, regions and products is an important element of the Group’s liquidity risk management framework. The Group’s most stable funding sources stem from capital markets issuances and equity, as well as from Private Bank and Corporate Bank deposits. Other customer deposits and secured funding and short positions are additional sources of funding. Unsecured wholesale funding represents unsecured wholesale liabilities sourced primarily by the Treasury Pool Management team. Given the relatively short-term nature of these liabilities, it is predominantly used to fund liquid trading assets.

To promote the additional diversification of the Group’s refinancing activities, the bank holds a license to issue mortgage Pfandbriefe. The Group continues to run a program for the purpose of issuing Covered Bonds under Spanish law (Cedulas). Additionally, the Group also issues green bonds under the Group’s Sustainable Finance Framework. The Group also issued a Panda bond, following recent regulatory changes by PBoC (People’s Bank of China) and SAFE (State Administration of Foreign Exchange (of China)) to facilitate foreign remittance of Panda bond proceeds.

Unsecured wholesale funding comprises a range of institutional products, such as certificate of deposits, commercial paper as well as Money Market deposits.

To avoid any unwanted reliance on these short-term funding sources, and to promote a sound funding profile which complies with the defined risk appetite, the Group has implemented limits (across tenors) on these funding sources which are derived from daily stress testing analysis. In addition, the bank limits the total volume of unsecured wholesale funding to manage the reliance on this funding source as part of the overall funding diversification.

Composition of HQLA

The average HQLA of € 221 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 September, 2024 of € 230 billion is primarily held in Level 1 cash and central bank reserves (52%) and Level 1 high quality securities (43%). This compares to June 30, 2024 of which € 221 billion was primarily held in Level 1 cash and central bank reserves (58%) and Level 1 high quality securities (37%)

Derivative exposures and potential collateral calls

The majority of outflows related to derivative exposures and other collateral requirements shown in item 11 below are in relation to derivative contractual cash outflows that are offset by derivative cash inflows shown below in item 19 Other cash inflows.

Other significant outflows included in item 11 relate to the impact of an adverse market scenario on derivatives based on the 24 month historical look back approach and the potential posting of additional collateral as a result of a 3 notch downgrade of Deutsche Bank's credit rating (as per regulatory requirements).

Currency mismatch in the LCR

The LCR is calculated for EUR and USD which have been identified as significant currencies (having liabilities > 5% of total group liabilities excluding regulatory capital and off-balance sheet liabilities) in accordance with the Commission Delegated Regulation (EU) 2015/61. In addition to the above the Group also calculates an LCR for the GBP currency. No explicit LCR risk appetite is set for the significant currencies. However, limits have been defined over the respective significant currency stressed Net Liquidity Position (sNLP). This allows the internal monitoring and management of risks stemming from currency mismatches that may arise from liquidity inflows and outflows over the short-term horizon.

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 twelve months rolling averages each quarter. The Group does not consider anything else relevant for disclosure.

Quantitative information on LCR

Article 451a CRR

EU LIQ1 – LCR disclosure template

	in € bn.	Total unweighted value (average)				Total weighted value (average)			
	Quarter ending on	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	High-quality liquid assets								
1	Total high-quality liquid assets (HQLA)	–	–	–	–	221	218	216	215
	Cash-outflows								
2	Retail deposits and deposits from small business costumers	275	274	273	274	14	14	14	14
	of which:								
3	Stable deposits	125	126	128	131	6	6	6	7
4	Less stable deposits	59	59	59	60	8	8	8	8
5	Unsecured wholesale funding	243	238	233	231	106	104	102	101
	of which:								
6	Operational deposits (all counterparties) and deposits in network of cooperative banks	71	71	72	75	18	18	18	18
7	Non-operational deposits (all counterparties)	169	165	159	155	86	85	82	80
8	Unsecured debt	2	2	2	2	2	2	2	2
9	Secured wholesale funding	–	–	–	–	11	10	10	9
10	Additional requirements	237	235	231	226	78	78	78	77
	of which:								
11	Outflows related to derivative exposures and other collateral requirements	28	28	28	28	24	24	25	25
12	Outflows related to loss of funding on debt products	0	0	0	0	0	0	0	0
13	Credit and liquidity facilities	209	208	203	197	54	54	53	51
14	Other contractual funding obligations	54	55	58	60	8	8	8	9
15	Other contingent funding obligations	286	278	271	267	3	3	3	2
16	Total cash outflows	–	–	–	–	219	217	215	212
	Cash - inflows								
17	Secured lending (e.g. reverse repos)	261	255	268	277	10	10	10	9
18	Inflows from fully performing exposures	48	49	49	49	37	37	37	36
19	Other cash inflows	11	12	13	13	11	12	13	13
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	–	–	–	–	2	3	3	3
EU 19b	Excess inflows from a related specialized credit institution	–	–	–	–	0	0	0	0
20	Total cash inflows	320	315	331	339	56	57	57	55
	of which:								
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	300	295	312	319	55	56	56	55
	Total adjusted value								
21	Liquidity buffer	–	–	–	–	221	218	216	215
22	Total net cash outflows	–	–	–	–	163	161	158	157
23	Liquidity coverage ratio (%)	–	–	–	–	135	136	136	137

List of tables

Contact for inquiries
Deutsche Bank AG
Frankfurt, Germany
Phone: +49 69 910-00
deutsche.bank@db.com