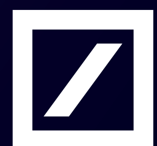
Deutsche Bank

Risk & Capital Management

Deutsche Bank AG Johannesburg Pillar 3 Disclosure

For the year ended 31 December 2016



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Overview

The following information is compiled in terms of the requirements of the Banks Act 1990 (as amended) and Regulation 43(1) (e) (iv) and 43(2) of the Banking Regulations, whereby banks (including foreign branches) are obliged to report certain qualitative and quantitative information with regards to their risk profile and capital adequacy on a regular basis to the public, which incorporates the revised Basel III Pillar 3 requirements on market discipline.

Reporting framework

The information disclosed in this report is based on the definitions, calculation methodologies and measurements as defined by the Amended Regulations. All tables, diagrams, quantitative information and commentary in this risk and capital management report are unaudited unless otherwise noted.

References to fixed format templates as required under the revised Pillar 3 disclosure requirements are made throughout this document and highlighted in the relevant sections.

Period of reporting

This report is in respect of the year ended 31 December 2016, including comparative information (where applicable) for the year ended 31 December 2015.

Group disclosures

The Group employs a predominantly centralised approach to risk management. As such, DBJ's approach to risk management follows Group policies and procedures as a minimum standard. Where local requirements differ from the Group's, a local policy/procedure is formulated and adopted. This report should thus be read in conjunction with the Group's Management report. Where appropriate this document provides links to the Deutsche Bank AG reports for the year ended 31 December 2016 which can also be found directly at:

Management report:
https://www.db.com/ir/en/download/Annual_Financial_Statements_and_Management_Report_Deutsche_Bank_AG_2016.pdf

Risk report:
https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf

Compensation report:
https://www.db.com/ir/en/download/Deutsche_Bank_Compensation_Report_2016.pdf

Pillar 3 report:
https://www.db.com/ir/en/download/Deutsche_Bank_Pillar_3_Report_2016.pdf

Deutsche Bank Group: Our organisation

Headquartered in Frankfurt am Main, Germany, we are the largest bank in Germany and one of the largest financial institutions in Europe and the world, as measured by total assets of €1,591 billion as of 31 December 2016. As of that date, we employed 99 744 people on a full-time equivalent basis and operated in 62 countries out of 2 656 branches worldwide, of which 67% were in Germany. We offer a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

As of 31 December 2016 we were organised into the following six corporate divisions:

- Global Markets (GM)
- Corporate and Investment Banking (CIB)
- Private, Wealth and Commercial Clients (PW&CC)
- Deutsche Asset Management (Deutsche AM)
- Postbank (PB)
- Non-Core Operations Unit (NCOU)

The six corporate divisions are supported by infrastructure functions. In addition, we have a regional management function that covers regional responsibilities worldwide. In line with our targets originally announced in October 2015, the Non-Core Operations Unit (NCOU) will cease to exist as a separate corporate division of the Group from 2017 onwards.

From 2017 onwards and in accordance with our Strategy our business operations are going to be organized under a new structure with the segments Corporate & Investment Banking (CIB), Private and Commercial Clients (P&CC), and Deutsche Asset Management (DAM).

Operating review 2016

2016 was a very challenging year for Deutsche Bank. It was also a year in which we demonstrated our resilience and changed much for the better, despite a tough environment.

Conditions were not easy. The world's financial markets saw the most difficult start to the year for a generation in many capital market businesses. Interest rates remained at historic lows and the macro-political environment became increasingly uncertain.

Furthermore, Deutsche Bank faced significant challenges of our own. In September 2016, leakage of our discussions with the US Department of Justice (DoJ) in respect of the residential mortgage-backed securities matter, and an initial settlement proposal which was higher than the market had anticipated, prompted concerns about the financial impact on Deutsche Bank. These concerns affected not only Deutsche Bank's share and bond prices, but also our business with our clients. It was therefore a great relief that we were able to resolve this issue before the end of the year.

Having dealt with this major source of uncertainty, we turned to the more fundamental question of how our strategy and business model would evolve. The Management Board had been carefully examining the various options and then, in early March 2017, announced plans to place the bank back on the path to growth and sustainable success. Our goal is to strengthen our position as a leading European bank with global reach, supported by our strong position in our home market, Germany.

Deutsche Bank Group: South Africa

History

Deutsche Bank has been represented in South Africa since 1979 and expanded its presence in 1995 through the acquisition of local stockbroker Ivor Jones, Roy & Co. Deutsche Bank AG then went on to establish a branch in Johannesburg in 1998 – Deutsche Bank AG Johannesburg Branch.

The South African branch offers a full range of competitive products and services focussing on Fixed Income and Repos, Foreign Exchange, Interest Rate Derivatives, Loans and Deposits, Securities Lending and Equity Derivatives.

Branch Management

The members of the Branch management during the year and up to the date of this report are:

R O'Leary	
R Visser	Resigned 3 January 2017
PG Wharton-Hood	Resigned 11 July 2016
M Ismail	Appointed 11 July 2016
B Landman	Appointed 11 July 2016
M Dowie*	Appointed 9 December 2016

**Non-voting member*

Financial performance

In terms of the requirements of the Banks Act and Regulations relating to Banks, the financial results presented below have been prepared in accordance with Financial Reporting Standards issued from time to time, with additional disclosure when required. Whilst branches of foreign banks are not required to publish financial statements, the information provided below is required in terms of their Pillar 3 disclosures.

Financial position/Balance sheet[1]

The balance sheet reflects what the branch owns, owes and the equity that is attributable to shareholders at 31 December 2016.

	December 2016 R'000	December 2015 R'000
Assets		
Cash and balances with central bank	**47 447**	14 761
Short-term negotiable securities	**1 800 610**	465 566
Loans and advances to customers	**4 002 465**	6 320 028
Investment and trading securities	**–**	1 664 008
Derivative financial instruments	**4 378 282**	14 039 266
Pledged assets	**–**	130 161
Property and equipment	**512**	727
Current income tax receivables	**1 989**	–
Deferred income tax assets	**30 898**	40 725
Other assets	**129 211**	80 016
Total assets	**10 391 414**	22 755 258
Liabilities		
Deposits, current accounts and other creditors	**4 682 716**	6 402 921
Derivative financial instruments and other trading liabilities	**4 329 582**	14 786 082
Other liabilities	**91 792**	132 900
Total liabilities	**9 104 090**	21 321 903
Equity		
Dotation capital	**884 639**	1 050 939
Retained earnings	**402 685**	382 416
Total equity	**1 287 324**	1 433 355
Total equity and liabilities	**10 391 414**	22 755 258

1 Source: 31 December BA 100 (audited)

Results of operations/Income statement[2]

The income statement reflects the revenue generated by the branch as well as the costs incurred in generating that revenue for the year ended 31 December 2016.

	December 2016 R'000	December 2015 R'000
Net interest income	**164 483**	167 961
Non-interest revenue	**41 059**	(13 386)
Operating income	**205 542**	154 575
Operating expenses	**175 446**	132 083
Profit before income tax	**30 096**	22 492
Income tax	**9 827**	6 522
Profit for the year	**20 269**	15 970

2 *Source: 31 December BA 120 (audited)*

Financial position

Capital adequacy

In terms of the requirements of the Banks Act and Regulations relating to Banks, the branch has complied with the minimum capital requirements for the period under review.

The branch's regulatory capital is split into two tiers:

- Tier 1 capital, which is comprised solely of Common Equity Tier 1 capital, which includes dotation capital, and appropriated retained earnings.
- Tier 2 capital, which includes a general allowance for credit impairment.

The minimum capital requirements are defined by three ratios:

- Common Equity Tier 1 capital as a percentage of risk weighted assets;
- Tier 1 capital as a percentage of risk weighted assets; and
- Total qualifying capital as a percentage of risk weighted assets.

Summary of risk weighted assets and regulatory capital requirements

		RWA R'000 December 2016	RWA R'000 December 2015	Minimum capital requirements[1] R'000 December 2016
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**1 372 798**	2 232 623	142 428
2	Of which standardised approach (SA)	**1 372 798**	2 232 623	142 428
3	Of which: internal ratings-based (IRB) approach	**–**	–	–
4	**Counterparty credit risk**	**2 850 054**	8 439 094	295 693
5	Of which standardised approach for counterparty credit risk (SA-CCR)	**–**	–	–
6	Of which internal model method (IMM)	**–**	–	–
	Of which current exposure method (CEM)	**2 850 054**	8 439 094	295 693
7	**Equity positions in banking book under market-based approach**	**–**	–	–
8	**Equity investments in funds – look-through approach**	**–**	–	–
9	**Equity investments in funds – mandate-based approach**	**–**	–	–
10	**Equity investments in funds – fall-back approach**	**–**	–	–
11	**Settlement risk**	**–**	–	–
12	**Securitisation exposures in banking book**	**–**	–	–
13	Of which: securitisation internal ratings-based approach (SEC-IRBA)	**–**	–	–
14	Of which: securitisation external ratings-based approach (SEC-ERBA), including internal assessment approach (IAA)	**–**	–	–
15	Of which: securitisation standardised approach (SEC-SA)	**–**	–	–
16	**Market risk**	**54 638**	68 888	5 669
17	Of which standardised approach (SA)	**54 638**	68 888	5 669
18	Of which internal model approaches (IMA)	**–**	–	–
19	**Operational risk**	**308 655**	242 569	32 023
20	Of which basic indicator approach	**308 655**	242 569	32 023
21	Of which standardised approach	**–**	–	–
22	Of which advanced measurement approach	**–**	–	–
23	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**49 500**	70 530	5 136
24	**Floor adjustment**	**–**	–	–
25	**Other assets risk**	**58 023**	71 127	6 020
	Total (1+4+7+8+9+10+11+12+16+19+23+24+25)	**4 693 668**	11 124 831	486 968

1 Minimum capital requirements. This value is 10.375%, consisting of a Pillar 1 requirement of 8.00%, Pillar 2A of 1.75%, and a phased in Capital Conservation Buffer of 0.625%.

Capital composition

The branch is applying the Basel III regulatory adjustments in full as implemented by the South African Reserve Bank (SARB).

		December 2016 R'000	December 2015 R'000
Tier 1			
Common Equity Tier 1 capital: instruments and reserves		**1 285 667**	1 433 355
Dotation capital		**884 639**	1 050 939
Qualifying retained earnings		**401 028**	382 416
Common Equity Tier 1 capital: regulatory adjustments		**(34 788)**	(61 221)
Deferred tax assets		**(11 098)**	(12 513)
Debit value adjustment: Cumulative gains and losses due to changes in own credit risk on fair valued liabilities		**(23 690)**	(48 708)
Tier 1 capital (T1)		**1 250 879**	1 372 134
Tier 2			
Provisions		**31 484**	22 981
Tier 2 capital (T2)		**31 484**	22 981
Total capital (TC = T1 + T2)		**1 282 363**	1 395 115
Total risk weighted assets		**4 693 668**	11 124 831
Capital ratios			
Common Equity Tier 1 (as a percentage of risk weighted assets)	(%)	**26.65**	12.33
Tier 1 (as a percentage of risk weighted assets)	(%)	**26.65**	12.33
Total capital (as a percentage of risk weighted assets)	(%)	**27.32**	12.54

Reconciliation of accounting capital to regulatory capital

Accounting capital – as reported per audited financial statements	**1 287 324**	1 433 355
Dotation capital	**884 639**	1 050 939
Retained earnings	**402 685**	382 416
Less: Unappropriated Income	**1 657**	–
	1 285 667	1 433 355
Add: General allowance for credit impairments	**31 484**	22 981
	1 317 151	1 456 336
Less: Regulatory adjustments and deductions	**(34 788)**	(61 221)
Total regulatory capital	**1 282 363**	1 395 115

Leverage position

Illustrated below is DBJ's Leverage position as measured by the Basel III Leverage ratio.

The Leverage ratio was introduced as a complementary measure to the risk-based capital framework to help ensure broad and adequate capture of both the on- and off-balance sheet sources of the bank's leverage.

This simple, non-risk-based "Backstop" measure will restrict the build up of excessive leverage in the banking sector to avoid destabilising deleveraging processes that can damage the broader financial system and the economy.

	December 2016 %	December 2015 %
Leverage ratio	**9.72**	5.49
Specified minimum ratio as per SARB	**4**	4

Risk management overview

We seek to promote a strong risk culture throughout our organization. Our aim is to help reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout our organisation as well as the effective management of our risk, capital and reputational profile. We actively take risks in connection with our business and as such the following principles underpin risk culture within our Group:

- Risk is taken within a defined risk appetite;
- Every risk taken needs to be approved within the risk management framework;
- Risk taken needs to be adequately compensated; and
- Risk should be continuously monitored and managed.

The overall focus of Risk and Capital Management throughout 2016 was on reducing our risk profile in line with our risk strategy and supporting our strategic management initiatives with a focus on balance sheet optimization. Based upon our assessment and verification we believe that our risk disclosures presented throughout this risk report appropriately and comprehensively convey our overall risk profile.

Overall risk assessment

Key risk categories for the branch include credit risk, market risk, operational risk (including legal risk), business risk (including tax and strategic risk), reputational risk, liquidity risk and compliance risk. We manage the identification, assessment and mitigation of top and emerging risks through an internal governance process and the use of risk management tools and processes. Our approach to identification and impact assessment aims to ensure that we mitigate the impact of these risks on our financial results, long-term strategic goals and reputation.

Risk management framework

Deutsche Bank operates as an integrated Group through its business divisions and infrastructure functions. At DBJ branch level, risk and capital are managed via a framework of principles, organisational structures and measurement and monitoring processes that are closely aligned with the activities of the divisions and business units. This policy is structured along the following four building blocks of the Risk Management framework of DB Group, as illustrated below:

- Risk governance and strategy;
- Risk management by major risk category;
- Risk methods – analytics and modelling; and
- Risk infrastructure, policies and documentation.

Risk Governance and Strategy

(Refer to Group risk report for comprehensive assessment which can be found at
https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf)

From an internal governance perspective, we have several layers of management to provide cohesive risk governance:

- The South Africa ExCo, which has overall responsibility to exercise governance over the proper functioning of each business and infrastructure function.
- The Asset and Liability Committee of DBJ (ALCO) fulfils the role of the local Capital and Risk Committee (CaR). The ALCO also provides the forum for managing the capital, funding and liquidity risk of DBJ. Regular ALCO voting members include representatives of Finance, Treasury, ExCo, representatives of the various business divisions and risk management. The ALCO has responsibility for aligning the capital requirements as well as liquidity and funding needs of DBJ's activities, within the risk profile of the businesses and risk appetite of the bank. It reviews the capital, liquidity and funding profile on a regular basis and decides on measures to avoid regulatory and/or bank-internal limit breaches. The ALCO establishes a link between the local, regional and Group's perspective on capital, liquidity and funding.
- The CRO is responsible for the monitoring and governance of risk management relating to Deutsche Bank Johannesburg and all its associated legal entities. Risk areas of focus include credit, operational, market and further oversight over liquidity and capital management.

Risk Management by major risk category

(Refer to Group risk report for comprehensive assessment which can be found at
https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf)

- An overview of significant risks faced by DBJ, together with methods employed in respect of the management thereof, follow in this report under the headings of Credit, Operational, Market, Liquidity and Interest rate risk. The local ALCO has overall responsibility for identifying and assessing all relevant risks.

Risk Methods – analytics and modelling

(Refer to Group risk report for comprehensive assessment which can be found at
https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf)

- Risk measurement methods are primarily developed and performed centrally by DB Group risk management functions in collaboration with DBJ's finance and risk management staff. Regular training is held and ongoing updates are provided by the Group to ensure full understanding of methodologies. The Group's methodologies are also adapted and extended if required to comply with specific local regulatory requirements (e.g. for specific stress testing purposes).

Risk infrastructure, policies and documentation

(Refer to Group risk report for comprehensive assessment which can be found at
https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf)

- Risk infrastructure is established at the Group level, and DBJ is supported by the Group's existing infrastructure and processes. Furthermore, DBJ has its own infrastructure, processes and policies in place that complement the Group's standards. In case of more stringent local requirements DBJ, supplements the Group standards and follows local regulatory requirements as defined in the Banks Act and Regulations upon agreement with DB Group.

Credit risk

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which we refer to collectively as "counterparties") exist, including those claims that we plan to distribute. These transactions are typically part of our traditional non-trading lending activities (such as loans and contingent liabilities), traded bonds and debt securities available for sale or our direct trading activity with clients (such as OTC derivatives like foreign exchange forwards and Forward Rate Agreements). Based on the annual risk identification and materiality assessment, credit risk contains four material categories, namely default risk, industry risk, country risk, and product risk.

- Default risk, the most significant element of credit risk, is the risk that counterparties fail to meet contractual obligations in relation to the claims described above;
- Industry risk is the risk of adverse developments in the operating environment for a specific industry segment leading to deterioration in the financial profile of counterparties operating in that segment and resulting in increased credit risk across this portfolio of counterparties;
- Country risk is the risk that we may experience unexpected default or settlement risk and subsequent losses, in a given country, due to a range of macro-economic or social events primarily affecting counterparties in that jurisdiction including: a material deterioration of economic conditions, political and social upheaval, nationalisation and expropriation of assets, government repudiation of indebtedness, or disruptive currency depreciation or devaluation. Country risk also includes transfer risk which arises when debtors are unable to meet their obligations owing to an inability to transfer assets to non-residents due to direct sovereign intervention; and
- Product Risk captures product-specific credit risk of transactions that could arise with respect to specific borrowers or group of borrowers. It takes into account whether obligations have similar risk characteristics and market place behaviors.

Our risk assessment also covers concentrations in our credit risk portfolio by industry, country and counterparty.

An overview of the risk management responsibilities, processes and methods follows, with more detailed information in our Group risk report which can be found at
https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf
(refer to pages 107 to 115).

Credit risk responsibilities and processes

DB's credit risk appetite is set globally and is broken down to divisions and business units via the Strategic, Risk & Capital Plan approved by the Management Board of Deutsche Bank Group. As a result, each credit exposure is authorised only if the relevant business division at Deutsche Bank global level is satisfied that the exposure meets the pre-set criteria and limits.

CRM is globally organised and carries out risk identification, assessments, management and reporting. The CRM department is independent from the business. Accordingly, the credit policies of DB Group are adopted and the CRO is responsible for ensuring that they remain suitable for the business of DBJ.

All new credit risks incurred within the DB Group (including DBJ) have to be approved by individuals with appropriate credit authority (sufficient to cover the entire DB Group exposure according to a "one obligor" principle). All credit risk decisions relevant to DBJ are subject to the approval of DBJ's management and Deutsche Bank's Credit Risk Management (CRM).

Management of limits

Global limits are monitored by CRM at DB Group level via a Credit IT System based on the risk appetite approved by the Group Management Board. DB measures and aggregates all exposures to the same obligor ("one obligor principle"). At the entity level, the ultimate responsibility for management of the credit risk limits resides with the CRO function. All credit limits and exposures are monitored on a frequent basis, and reviewed at least quarterly. Individually significant transactions that subject DBJ to credit risk are subject to rigorous local review and sign-off prior to commitment.

Monitoring and management of concentrations

The large exposure regulations and credit policies on Group level limiting concentration risk are adopted for DBJ. Besides the limits of DB Group, there are the regulatory single-name and portfolio limits in place as described above. Both limits are monitored by risk management function. Credit risk concentration is not only closely monitored at a single-name level, but also on an industry and country basis.

Credit risk mitigation techniques

Credit risk is generally mitigated at DB Group level and optimised in the following ways:

- On-balance-sheet netting of cash;
- Netting and cash collateralisation of ISDA derivatives;
- Offsetting of collateral received/given under repo transactions with third parties and DB AG entities;
- Risk transfer (e.g. outright sale, hedging);
- Other eligible collateral in line with the Global Collateral Policy on DB Group level; and
- Guarantees are sought from DB AG to manage the large exposure risk.

Basel approaches adopted to measure risk

Credit risk

The branch currently applies the standardised approach for its credit portfolios.

Counterparty credit risk

The branch currently applies the current exposure method for its portfolios subject to Counterparty credit risk.

The section below presents key measurement metrics of DBJ's credit position as at 31 December 2016, as required by the revised Pillar 3 disclosures.

Credit risk continued

Credit quality of assets

The table below provides a comprehensive picture of the credit quality of a bank's on- and off-balance sheet assets.

		Gross carrying values of:			
		Defaulted exposures R'000	Non-defaulted exposures R'000	Allowances/ impairments R'000	Net values R'000
1	Loans	–	4 309 916	31 484	4 278 432
2	Debt securities	–	1 800 610	–	1 800 610
3	Off-balance sheet exposures	–	2 603 785	–	2 603 785
4	**Total**	–	8 714 311	31 484	8 682 827

Changes in stock of defaulted loans and debt securities

The table below identifies the changes in a bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

		December 2016
1	Defaulted loans and debt securities at end of the previous reporting period	–
2	Loans and debt securities that have defaulted since the last reporting period	–
3	Returned to non-defaulted status	–
4	Amounts written off	–
5	Other changes	–
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)**	–

Credit risk mitigation techniques – overview

The table below discloses the extent of use of credit risk mitigation techniques.

		Exposures unsecured: carrying amount R'000	Exposures secured by collateral R'000	Exposures secured by collateral, of which: secured amount R'000	Exposures secured by financial guarantees R'000	Exposures secured by financial guarantees, of which: secured amount R'000	Exposures secured by credit derivatives R'000	Exposures secured by credit derivatives, of which: secured amount R'000
1	Loans	2 882 085	1 396 346	1 396 346	–	–	–	–
2	Debt securities	1 800 610	–	–	–	–	–	–
3	Total	4 682 695	1 396 346	1 396 346	–	–	–	–
4	Of which defaulted	–	–	–	–	–	–	–

Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

The table below Illustrates the effect of CRM (comprehensive and simple approach) on standardised approach capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	On-balance sheet amount R'000	Off-balance sheet amount R'000	On-balance sheet amount R'000	Off-balance sheet amount R'000	RWA R'000	RWA density %
Asset classes						
Sovereigns and their central banks	1 800 610	–	1 800 610	–	–	–
Non-central government public sector entities	2 017 970	–	118 866	–	24 619	21
Multilateral development banks	–	–	–	–	–	–
Banks	4 211 459	–	6 591 530	–	235 867	4
Securities firms	1 475 422	2 040 985	79 076	–	79 076	100
Corporates	3 951 342	562 800	2 250 097	174 250	2 424 347	100
Regulatory retail portfolios	–	–	–	–	–	–
Secured by residential property	–	–	–	–	–	–
Secured by commercial real estate	–	–	–	–	–	–
Equity	–	–	–	–	–	–
Past-due loans	–	–	–	–	–	–
Higher-risk categories	–	–	–	–	–	–
Other assets	–	–	–	–	–	–
Total	13 456 803	2 603 785	10 840 179	174 250	2 763 909	25

Credit risk continued

Standardised approach – exposures by asset classes and risk weights

The table below presents the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to standardised approach).

Risk weight/Asset class	0% R'000	10% R'000	20% R'000	35% R'000	50% R'000	75% R'000	100% R'000	150% R'000	Others R'000	Total credit exposures amount (post CCF and post-CRM) R'000
Sovereigns and their central banks	1 800 610	–	–	–	–	–	–	–	–	1 800 610
Non-central government public sector entities (PSEs)	–	–	116 047	–	2 819	–	–	–	–	118 866
Multilateral development banks (MDBs)	–	–	–	–	–	–	–	–	–	–
Banks	6 063 060	–	94 561	–	433 909	–	–	–	–	6 591 530
Securities firms	–	–	–	–	–	–	79 076	–	–	79 076
Corporates	–	–	–	–	–	–	2 424 347	–	–	2 424 347
Regulatory retail portfolios	–	–	–	–	–	–	–	–	–	–
Secured by residential property	–	–	–	–	–	–	–	–	–	–
Secured by commercial real estate	–	–	–	–	–	–	–	–	–	–
Equity	–	–	–	–	–	–	–	–	–	–
Past-due loans	–	–	–	–	–	–	–	–	–	–
Higher-risk categories	–	–	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–	–	
Total	7 863 670	–	210 608	–	436 728	–	2 503 423	–	–	11 014 429

Credit valuation adjustment (CVA) capital charge

The table provides the CVA regulatory calculations (with a breakdown by standardised and advanced approaches).

	EAD post-CRM R'000	RWA R'000
Total portfolios subject to the Advanced CVA capital charge	–	–
(i) VaR component (including the 3×multiplier)	–	–
(ii) Stressed VaR component (including the 3×multiplier)	–	–
All portfolios subject to the Standardised CVA capital charge	1 492 099	1 458 943
Total subject to the CVA capital charge	1 492 099	1 458 943

Standardised approach – CCR exposures by regulatory portfolio and risk weights

The table provides a breakdown of counterparty credit risk exposures calculated according to the current exposure method approach: by portfolio (type of counterparties) and by risk weight (riskiness attributed according to standardised approach).

Regulatory portfolio	0% R'000	10% R'000	20% R'000	50% R'000	75% R'000	100% R'000	150% R'000	Others R'000	Total credit exposure R'000
Sovereigns	–	–	–	–	–	–	–	–	–
Non-central government public sector entities (PSEs)	–	–	116 047	2 819	–	–	–	–	118 866
Multilateral development banks (MDBs)	–	–	–	–	–	–	–	–	–
Banks	4 423 365	–	403	433 909	–	–	–	–	4 857 677
Securities firms	–	–	–	–	–	79 076	–	–	79 076
Corporates	–	–	–	–	–	1 070 381	–	–	1 070 381
Regulatory retail portfolios	–	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–	–
Total	4 423 365	–	116 450	436 728	–	1 149 457	–	–	6 126 000

Composition of collateral for CCR exposure

The table provides a breakdown of all types of collateral posted or received by banks to support or reduce the counterparty credit risk exposures related to derivative transactions or to SFTs, including transactions cleared through a CCP.

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated R'000	Unsegregated R'000	Segregated R'000	Unsegregated R'000	R'000	R'000
Cash – domestic currency	–	–	–	–	–	–
Cash – other currencies	–	–	–	–	–	–
Domestic sovereign debt	338 936	–	–	–	–	–
Other sovereign debt	–	–	–	–	–	–
Government agency debt	–	–	–	–	–	–
Corporate bonds	–	–	–	–	–	–
Equity securities	–	–	–	–	–	–
Other collateral	–	–	–	–	–	–
Total	338 936	–	–	–	–	–

Liquidity risk

Liquidity risk

Liquidity risk is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. Management of liquidity risk at DBJ is fully integrated into the Group's Liquidity risk management framework. The principal objective of liquidity management is to ensure DBJ's ability at all times to meet payment obligations when they come due. DBJ manages liquidity risk in line with the overall Group's liquidity risk management framework and according to policies and guidelines set locally by Treasury. The Internal Liquidity Adequacy Assessment Policy (ILAAP) is approved by the Management Board of DB and describes the Group's liquidity risk management framework and also the underlying methodology papers. The framework considers relevant and significant drivers of liquidity risk, whether on-balance sheet or off-balance sheet.

An overview of the risk management responsibilities, processes and methods follows, with more detailed information in our Group risk report which can be found at https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf (refer to pages 128 to 132).

Monitoring and management of liquidity risk limit

Several tools/ metrics are used to measure and manage short- and long-term liquidity risk at DBJ level including but not limited to daily MCO, Stressed Net Liquidity Position (SNLP), Intra-group funding lines and utlisation, Funding Matrix, Regulatory Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Key liquidity ratios and figures are monitored in the ALCO report on a regular basis and form the basis of Liquidity reports.

Liquidity risk mitigation

Treasury may decide to temporarily reduce limits in the event of contingency situations to reduce (potential) liquidity risk. Additional local contingency measures form part of a local contingency plan including a stress funding line available to the branch from the Group's Liquid Asset Pool. The bank does not consider additional capital as an appropriate mitigant for liquidity risk.

Liquidity coverage ratio

Illustrated below is DBJ's short-term liquidity position as measured by the LCR. The minimum requirements of the LCR follow an internationally agreed phase-in arrangement with the minimum required LCR being 60% as of 1 January 2015 increasing annually by 10% to a required minimum of 100% as of 1 January 2019. DBJ has decided to adopt the minimum of 100% effective 1 January 2015 prior to full phase-in.

	Deutsche Bank AG – Johannesburg Branch	Total unweighted value 31 December 2016 R'000	Total weighted value 31 December 2016 R'000
	High-quality liquid assets		
1	Total high-quality liquid assets (HQLA)	1 848 057	1 848 057
	Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	–	–
3	Stable deposits	–	–
4	Less-stable deposits	–	–
5	Unsecured wholesale funding, of which:	2 053 069	431 298
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	2 053 069	431 298
8	Unsecured debt	–	–
9	Secured wholesale funding	–	–
10	Additional requirements, of which:	–	–
11	Outflows related to derivative exposures and other collateral requirements	–	–
12	Outflows related to loss of funding on debt products	–	–
13	Credit and liquidity facilities	2 603 785	147 614
14	Other contractual funding obligations	–	–
15	Other contingent funding obligations	–	–
16	**Total cash outflows**	4 656 854	578 912
	Cash inflows		
17	Secured lending (e.g. reverse repos)	–	–
18	Inflows from fully performing exposures	1 596 900	1 421 099
19	Other cash inflows	122 504	48 700
20	**Total cash inflows**	1 719 404	1 469 799
21	Total HQLA		1 848 057
22	Total net cash outflows		144 728
23	**Liquidity coverage ratio** (%)		1 277

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It includes legal risk but excludes business and reputational risk.

DBJ manages operational risk based on a Group-wide consistent framework that enables DB Group to determine the OR profile in comparison to the risk appetite and systematically identify OR themes and to define appropriate risk mitigation measures and priorities.

An overview of the risk management responsibilities, processes and methods follows, with more detailed information in our Group risk report which can be found at https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf (refer to pages 123 to 128).

Operational risk responsibilities and processes

Group Operational Risk Management (Group ORM) define the Group Operational Risk Management Framework (GORMF) that ensures that Operational Risks are appropriately identified, assessed, mitigated, monitored, reported and escalated at DB.

- the GORMF supports the day-to-day management of Operational Risks (OR), which is the primary responsibility of the Business Division and the service providing Infrastructure Functions (GTO and Corporate Services); and
- Operational Risk Management (ORM) independently monitors, reviews and assesses material operational risks and oversees the consistent application of the GORMF across the Bank.

The GORMF defines the consistent management of risk across all operational risk types and is comprised of a number of processes:

- holistic and efficient risk mitigation/risk acceptance within the defined operational risk appetite;
- timely and complete OR identification/loss capture though continuous collection of internal operational risk events and external loss information. Internal scenarios are also developed to complete the Bank's Risk Profile;
- timely, accurate and complete assessment of risks and controls mainly through a comprehensive Risk and Control Assessment (R&CA), Lessons Learned and Read Across processes;
- effective risk and mitigation monitoring; and
- timely, accurate and effective risk reporting/escalation.

DBJ is covered within the existing GORMF. This GORMF governs issues such as reporting, recording and escalation of OR events and losses. At local level all business units in addition to Risk are responsible for adequate monitoring and reporting to ORM.

Operational risk monitoring and management

Flashcards are prepared on a regular basis representing current operational risks in DBJ and are reviewed and discussed with the regional ORM management. The flashcard is built on new operational risk events that have taken place, trend analysis and economic capital over the past quarters and key actions agreed and tracked via a DB tool.

Operational risk mitigation techniques

Once operational risks are identified and assessed, a determination of the most appropriate action is made based on the Group's Operational Risk Management framework.

The GORMF supports these decisions, based on an evaluation of remediation costs and potential impacts, resulting in three possible mitigating strategies:

- Self-Identified Issue: control gaps or weaknesses are supported by remediation actions and monitored to resolution in a timely manner.
- Risk Acceptance: where remediation is not feasible, having appropriate regard to cost of control and potential impacts, risks may be accepted subject to appropriate evaluation and governance.
- Ceasing or reducing business activities.

As part of DB Group's Operational Risk Mitigation process, insurance policies have been entered with external providers. These policies cover a variety of risks including criminal acts by employees, professional liability, securities loss and directors' and officers' liability. The insurance covers DB and all majority-owned subsidiaries.

Basel approaches adopted to measure risk

The branch currently applies the basic indicator approach for operational risk.

Operational risk: Risk weighted assets	**December 2016 R'000**	December 2015 R'000
Operational risk	**308 655**	242 569

Market risk

The vast majority of our businesses are subject to market risk, defined as the potential for change in the market value of our trading and invested positions. Risk can arise from changes in interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and other relevant parameters, such as market volatility and market implied default probabilities.

One of the primary objectives of Market Risk Management, a part of our independent Risk function, is to ensure that our business units' risk exposure is within the approved appetite commensurate with its defined strategy. To achieve this objective, Market Risk Management works closely together with risk takers ("the business units") and other control and support groups.

We distinguish between three substantially different types of market risk:

- Trading market risk arises primarily through the market-making activities of the Global Markets Division. This involves taking positions in debt, equity, foreign exchange, other securities and commodities as well as in equivalent derivatives.
- Traded default risk arising from defaults and rating migrations relating to trading instruments.
- Non-trading market risk arises from market movements, primarily outside the activities of our trading units, in our banking book and from off-balance sheet items. This includes interest rate risk, credit spread risk, investment risk and foreign exchange risk as well as market risk arising from our pension schemes, guaranteed funds and equity compensation. Non-trading market risk also includes risk from the modelling of client deposits as well as savings and loan products.

Market risks assumed by DBJ are managed by the Market Risk Management (MRM) department as part of MRM's global risk management framework.

DBJ passes on the majority of its market risk to DB Group by entering into risk transfer trades which mirror external market risk assumed.

An overview of the risk management responsibilities, processes and methods follows, with more detailed information in our Group risk report which can be found at https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf (refer to pages 115 to 123).

Market risk responsibilities and processes

Market risks are monitored against specific limits set by the Management Board or MRM. The following market risk types are typically monitored by MRM: interest rate risk, currency risk, equity risk, commodity risk and their associated volatilities. The types of risks that are assumed by DBJ may include one or more of these market risk types.

Value-at-risk, and Portfolio Stress Testing limits are used for managing all types of market risk at an overall portfolio level. As an additional and complementary tool for managing certain portfolios or risk types, Market Risk Management performs risk analysis and business specific stress testing. Limits are also set on sensitivity and concentration/liquidity, business-level stress testing and event risk scenarios.

It is the responsibility of each trading desk and business unit to manage their risk exposures, adhere to the approved exposure limits and hence to mitigate market risks appropriately. This can be achieved by using different hedging techniques to reduce relevant exposure. The ultimate responsibility for implementing any required hedging strategy lies with individual business unit management or, in the case of macro-hedges, with central management. MRM can undertake a review of the hedging strategies that are put in place in order to ensure that the risks of the underlying exposures and the hedging positions are fully understood and adequately represented in the systems.

Management of limits

DBJ is integrated into Deutsche Bank Group's global limit system, which is defined, monitored and controlled by MRM. MRM supports the use of key risk management metrics to monitor the bank's market risks.

Market risk monitoring and management

Market risk measures are calculated on a daily basis by Market Risk Operations (MRO) centrally and exposures monitored against the established limits, if applicable. Risk reports are sent daily to businesses as well as submitted to oversight functions on a daily basis.

Basel approaches adopted to measure risk

The branch currently applies the standardised approach against portfolios that attract market risk.

Market risk under standardised approach

The table presents the components of the capital requirement under the standardised approach for market risk.

Market risk: Risk Weighted Assets

Risk weighted assets	**December 2016 R'000**	December 2015 R'000
Outright products		
Interest rate risk (general and specific)	–	–
Equity risk (general and specific)	–	–
Foreign exchange risk	**54 635**	68 888
Commodity risk	–	–
Options		
Simplified approach	–	–
Delta-plus method	–	–
Scenario approach	–	–
Securitisation	–	–
Total	**54 635**	68 888

Interest rate risk

Interest rate risk in the banking book

Interest rate risk in the banking book is the current or prospective risk, to both the Bank's capital and earnings arising from adverse movements in interest rates, which affect the Bank's banking book exposures. This includes gap risk, which arises from the term structure of banking book instruments, basis risk, which describes the impact of relative changes in interest rates for financial instruments that are priced using different interest rate curves, as well as option risk, which arises from option derivative positions or from optional elements embedded in the Bank's on- and off balance sheet items.

The Bank measures the impact of interest rate risk in the banking book on the Bank's economic value as well as on the Bank's earnings. Our Group Treasury division is mandated to manage on a fiduciary basis the interest rate risk centrally, with Market Risk Management acting as an independent oversight function.

In DBJ the majority of the interest rate risk arising from non-trading asset and liability positions has been transferred through internal transactions to Treasury Pool Management, subject to banking book value-at-risk limits. Treasury Pool Management hedges the transferred net banking book risk with Global Markets trading books. Global Markets interest rate risk is managed on the basis of trading book value-at-risk, as reflected in trading portfolio figures. The market risk VaR limits set by Market Risk Management are monitored on a daily, weekly and monthly basis. The measurement and reporting of interest rate risk in the banking book is reported on a monthly basis to the local regualator.

The equity sensitivity analysis below shows how the value of DBJ's equity would be impacted by a 200 basis point increase or decrease in interest rates.

Economic value of equity sensitivity	**December 2016 R'000**	December 2015 R'000
200 basis points parallel shift		
Increase	**(21 287)**	(20 804)
Decrease	**21 287**	20 804

The maximum negative change of present values of the banking book positions when applying the regulatory required parallel yield curve shifts of (200) and +200 basis points was 2% of our total regulatory capital at 31 December 2016. Consequently, outright interest rate risk in the banking book is considered immaterial for the branch.

Equity risk in the banking book

DBJ is not exposed to equity position risk.

Other risks

Other risk includes business risk, reputational risk, model risk and compliance risk. For detailed disclosures on these risks please refer to the 2016 Group Risk Report which can be found at https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_risk_report.pdf (refer to pages 133 to 135).

Remuneration

Establishing a culture of responsible performance

We operate in a challenging global environment, which makes us all the more dependent on qualified and committed employees. We are determined to offer our employees conditions that fulfil their needs – from fair remuneration and a good work–life balance, to an appreciation of diversity. Our culture emphasises performance while at the same time promoting responsible behaviour – among colleagues as well as *vis-à-vis* clients and society.

Aligning compensation with sustainable performance

We have designed our remuneration systems in such a way that they reward client orientation, team work and responsible behaviour in particular: Long-term thinking with a view to sustainable success is rewarded. Every year DB Group publish a detailed compensation report aimed at making our remuneration practices transparent.

We expect our people to achieve their objectives in a manner that guarantees sustainable success and is in line with the values of the bank. Our remuneration model consists of a basic salary and a performance-based component. Bonus payments for senior management are geared to the sustainability of success and are paid over several years in the form of deferred remuneration.

In implementing these measures, DB Group followed the recommendations of our Compensation Control Committee, which was set up specifically for supervisory purposes. DBJ does not have its own remuneration committee.

Compensating the Bank's employees transparently and sustainably is an important element of building a better Deutsche Bank. Against this background, one of the main objectives of our strategy is to align the reward system better with employee conduct and Group returns. For 2016, the Management Board took two major decisions which demonstrate the Bank's commitment towards reaching this goal.

Firstly, the Bank introduced a new compensation framework, which was designed to encourage and reward sustainable performance at all levels of the Bank. It introduced a consistent logic for structuring Total Compensation by providing guidance on the target ratio of fixed to variable compensation components, depending on the level of seniority and the division or function of the employee. Variable Compensation (VC) now generally consists of two elements – the "Group Component" and the "Individual Component". The "Group Component" is designed to link the employee's VC directly and transparently to the Bank's results and achievements in reaching strategic targets while the "Individual Component" is linked to divisional and individual performance on a discretionary basis.

Secondly, the Management Board decided to only award a limited VC pool in light of the results for 2016. Over the course of 2016, the Bank showed strong resilience, in particular due to the hard work and dedication of its employees.

In this context, the Bank was also able to make significant progress towards its strategic goals by resolving key matters and restructuring the Bank. Even though the Bank made these steps forward, the compensation decision also had to acknowledge that 2016 was a challenging year for the Bank overall. The Management Board is aware that there is still some way to go to strengthen the Bank and to make it more profitable again. Furthermore, the decisions on VC for 2016 had to take into account the financial impact of the settlement of key matters, as well as the Bank's resulting financial performance. The Management Board therefore decided that a substantial limitation of the VC pool for 2016 would be unavoidable in order to reflect the financial results and to appropriately balance the interests of shareholders and employees. This is especially true at a time when many jobs are being cut and the shareholders are only receiving a low annual dividend. Against this background, the senior employees of the Bank (Corporate Titles "Vice President", "Director" and "Managing Director") received a "Group Component" but not an "Individual Component" for the financial year 2016. This decision was the main factor that led to an overall amount of VC for 2016 of €0.5 billion, representing a decrease of approximately 77% compared to 2015.

While the Management Board fully recognized the additional constraints this decision put on employees, it also strongly believes that this decision is in the best long-term interest and fundamental to building a more successful Deutsche Bank. To underline this, the Management Board has decided to voluntarily waive its Variable Compensation for the financial year 2016. A limited number of employees in crucial positions for the further success of the Bank were granted "Retention Awards" as a special long-term incentive in early 2017, to a large part in the form of shares. This incentive is fully deferred for up to five years plus an additional retention period of 12 months.

Remuneration continued

DBJ is subject to the Group's compensation framework, as outlined above, further details can be found at https://annualreport.deutsche-bank.com/2016/ar/servicepages/downloads/files/dbfy2016_remuneration_report.pdf.

Illustrated below is salient information with respect to Branch Management remuneration as of 31 December 2016.

The table below sets out the key components of the remuneration expense bourne by DBJ in respect of the year ended 31 December 2016:

	Fixed compensation R'000	Variable cash bonus expense R'000	Deferred bonus expense R'000	Total expense R'000
Branch management	18 167	1 406	15 575	35 148

The table below sets out a reconciliation of the deferred compensation, split between cash-based and equity-linked, awarded to Branch Management:

	Deferred compensation 1 January 2016		Awarded 2016		Paid 2016		Valuation/ Management changes		Deferred compensation 31 December 2016	
	Cash R'000	Equity-linked R'000	Cash R'000	Equity-linked R'000	Cash R'000	Equity-linked R'000	Cash R'000	Equity-linked R'000	Cash R'000	Equity-linked R'000
Branch management	18 282	34 617	1 133	1 209	(10 025)	(11 103)	(2 691)	(14 568)	6 699	10 155

Glossary of risk terms and definitions

Term	Definition
Asset liability management	Asset liability management is the ongoing process of formulating, implementing, monitoring, and revising strategies related to banking book assets and liabilities in an attempt to: • maximise the interest margin; and • manage the risk to earnings and capital from changes in financial market rates, which result from the branch's mix of assets and liabilities. ALM encompasses the management of liquidity risk, interest rate risk and exchange rate risk in the banking book through the use of both on- and off-balance sheet instruments and strategies.
Banking book	Bank assets, liabilities and off-balance sheet items that are not in the trading book.
Corporate governance	Corporate governance is the structures, systems, processes, procedures, and controls within an organisation, at both board of directors level and within the management structure, that are designed to ensure the branch achieves its business objectives effectively, efficiently, ethically and within prudent risk management parameters. Good governance requires that an effective risk management process exists that can ensure that the risks to which the branch is exposed are addressed effectively.
Currency	Referred to as foreign exchange.
Hedge	A risk management technique used to reduce the possibility of loss resulting from adverse movements in commodity prices, equity prices, interest rates or exchange rates arising from normal banking operations. Most often, the hedge involves the use of a financial instrument or derivative such as a forward, futures, option or swap. Hedging may prove to be ineffective in reducing the possibility of loss as a result of, *inter alia*, breakdowns in observed correlations between instruments, or markets or currencies and other market rates.
Hedging	Action taken by the branch to reduce or eliminate the possibility of loss resulting from adverse movements in commodity prices, equity prices, interest rates or exchange rates.

Glossary of risk terms and definitions continued

Term	Definition
Interest rate risk in the banking book (sub-risk of market risk in the banking book)	Interest rate risk in the banking book is the risk that the branch's earnings or economic value will decline as a result of changes in interest rates. The sources of interest rate risk in the banking book are: • repricing risk (mismatch risk): timing differences in the maturity (for fixed rate) and repricing (for floating rate) of bank assets, liabilities, and off-balance sheet positions; • basis risk: imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics; • yield curve risk: changes in the shape and slope of the yield curve; and • embedded options risk: the risk pertaining to interest-related options embedded in bank products.
Regulatory capital	The total of Tier 1 and Tier 2 capital.
Risk	Risk is anything which may prevent the bank from achieving its objectives or otherwise have an adverse impact on the bank.
Risk appetite	The quantum of risk the branch is willing to accept in pursuit of its business strategy. Risk appetite is expressed quantitatively as risk measures such as economic capital and risk limits, and qualitatively in terms of policies and controls.
Risk-weighted assets	Risk-weighted assets are determined by applying risk weights to balance sheet assets and off-balance sheet financial instruments according to the relative credit risk of the counterparty. The risk weighting for each balance sheet asset and off-balance sheet financial instrument is regulated by the South African Banks Act, No. 94 of 1990, or by regulations in the respective countries of the other banking licences.
Trading book	Positions in financial instruments and commodities, including derivative products and other off-balance sheet instruments that are held with trading intent or to hedge other elements of the trading book. This will include financial instruments and commodities that: • are held for short-term resale; or • are held with the intention of benefiting from short-term price variations; or • arise from broking and market making; or • are held to hedge other elements of the trading book.
Value-at-risk (VAR)	Formally, the probabilistic bound of losses over a given period of time (the holding period) are expressed in terms of a specified degree of confidence (the confidence interval). Put more simply, VaR is the worst-case loss expected over the holding period within the probability set out by the confidence interval. Larger losses are possible but with a lower probability. For example: if a portfolio has a VaR of R10 million over a one-day holding period with a 95% confidence interval, the portfolio would have a 5% change of suffering a one-day loss greater than R10 million.

Acronyms and abbreviations

A

ALCO – Asset and Liability Management Committee

ALARP – As low as reasonably possible

B

BA – South African Banks Act 1990 (as amended)

BIA – Basic Indicator Approach

C

CBS – Corporate Banking and Securities

CET1 – Common Equity Tier 1

CEM – Current Exposure Method

CaR – Capital and Risk Committee

CRM – Credit Risk Management

CRO – Chief Risk Officer

D

DB – Deutsche Bank

DBJ – Deutsche Bank Johannesburg Branch

Deutsche AWM – Deutsche Asset & Wealth Management

E

EXCO – Executive Committee

F

FX – Foreign exchange

G

GTB – Global Transaction Banking

H

HQLA – High Quality Liquid Assets

I

IT – Information Technology

L

LCR – Liquidity Coverage Ratio

M

MCO – Maximum Cash Outflow

MR – Market Risk

MRC – Minimum Required Capital

MRM – Market Risk Management

MRO – Market Risk Operations

N

NCOU – Non-core Operations Unit

NPA – New Product Approval

NSFR – Net Stable Funding Ratio

NMTR – Non-Traded Market Risk

O

OR – Operational Risk

ORM – Operational Risk Management

P

PBC – Private & Business Clients

R

RWA – Risk-weighted assets

S

SA – Standardised Approach

SFT – Securities Financing Transactions

T

T1 – Tier 1 capital

T2 – Tier 2 capital

TC – Total capital

TDR – Traded default risk

V

VaR – Value-at-risk