Deutsche Bank

Annual Report 2024

Deutsche Bank Luxembourg S.A.

Deutsche Bank Luxembourg S.A.

- Deutsche Bank Luxembourg S.A. (the ‘Bank’), established in 1970, is a wholly owned subsidiary of Deutsche Bank AG, Frankfurt am Main, Germany.
- The Bank’s Articles of Association provide for a two-tier system of corporate governance comprising the Management Board and the Supervisory Board.
- Since 1991, the Bank has had its registered office on the Kirchberg Plateau, at 2, boulevard Konrad Adenauer, L–1115 Luxembourg.
- The competent financial supervisory authority under the European Single Supervisory Mechanism is the European Central Bank (ECB) based in Frankfurt am Main (Germany); in Luxembourg, the Bank is supervised by the Commission de Surveillance du Secteur Financier (CSSF).
- The Bank is a non-trading book institution and one of the leading banks in the Grand Duchy of Luxembourg; its regulatory own funds – consisting of balance sheet equity and eligible subordinated liabilities – amount to approximately €6.3bn as at 31 December 2024.
- The Bank employs 324 people from 42 countries.

Deutsche Bank Luxembourg S.A. can be reached online at www.db.com/luxembourg or via the following QR code:

You can find the annual report in the Company section of the website or by using the following QR code:

English:

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Deutsche Bank Luxembourg S.A.

Management Board

Charles Kasenene, Dr Daniel Zapf, Dr Marcus Stutz (from left to right)
Photo: Kristina Ruppenthal Photographie

Frank Rückbrodt (until 31 December 2024)

Chief Executive Officer, Chairman of the Management Board
Business address: 2, boulevard Konrad Adenauer, L–1115 Luxembourg

Dr Daniel Zapf

Chief Executive Officer (as of 1 January 2025)
Chief Operating Officer, Deputy Chief Executive Officer (until 31 December 2024)
Member of the Management Board
Business address: 2, boulevard Konrad Adenauer, L–1115 Luxembourg

Dr Marcus Stutz

Chief Risk Officer
Member of the Management Board
Member of the Management Board, responsible for Finance (as of 1 August 2023, until 31 December 2024)
Business address: 2, boulevard Konrad Adenauer, L–1115 Luxembourg

Charles Kasenene (as of 1 January 2025)

Chief Financial Officer
Member of the Management Board
Business address: 2, boulevard Konrad Adenauer, L–1115 Luxembourg

Supervisory Board

Dr Alexander Ilgen (until 26 June 2024)
Chairman
Deutsche Bank AG, Frankfurt am Main, Germany

Rüdiger Bronn
Chairman (as of 27 June 2024)
Deutsche Bank AG, Frankfurt am Main, Germany

Laurence Harari-Lehmann (until 15 April 2024)
Deutsche Bank (Suisse) SA, Zurich, Switzerland

Frank Krings (until 15 April 2024)
External board member as of 1 January 2024

Tanja Engelbrecht
Deutsche Bank AG, Frankfurt am Main, Germany

Bastiaan Marteijn
Deutsche Bank AG, Amsterdam Branch, Netherlands

Angela Potter
Deutsche Bank AG, London Branch, United Kingdom

Arnulf Schneider (as of 6 March 2024)
Deutsche Bank AG, London Branch, United Kingdom

Volker Steuer (as of 25 June 2024)
Deutsche Bank AG, Frankfurt am Main, Germany

Roberto Parazzini (as of 27 June 2024)
Deutsche Bank SpA, Milan, Italy

Dr Gerald Podobnik (as of 9 December 2024)
Deutsche Bank AG, Frankfurt am Main, Germany

Audit Committee

Rüdiger Bronn (until 26 June 2024)
Chair
Deutsche Bank AG, Frankfurt am Main, Germany

Angela Potter
Chair (as of 27 June 2024)
Deutsche Bank AG, London Branch, United Kingdom

Laurence Harari-Lehmann (until 15 April 2024)
Deutsche Bank (Suisse) SA, Zurich, Switzerland

Tanja Engelbrecht
Deutsche Bank AG, Frankfurt am Main, Germany

Volker Steuer (as of 25 June 2024)
Deutsche Bank AG, Frankfurt am Main, Germany

Dr Gerald Podobnik (as of 9 December 2024)
Deutsche Bank AG, Frankfurt am Main, Germany

Risk Committee

Arnulf Schneider (as of 6 March 2024)
Chair
Deutsche Bank AG, London Branch, United Kingdom

Frank Krings (until 15 April 2024)
External board member as of 1 January 2024

Bastiaan Marteijn
Deutsche Bank AG, Amsterdam Branch, Netherlands

Roberto Parazzini (as of 27 June 2024)
Deutsche Bank SpA, Milan, Italy

Nomination Committee

Dr Alexander Ilgen (until 26 June 2024)
Chair
Deutsche Bank AG, Frankfurt am Main, Germany

Volker Steuer (as of 27 June 2024)
Chair
Deutsche Bank AG, Frankfurt am Main, Germany

Rüdiger Bronn
Deutsche Bank AG, Frankfurt am Main, Germany

Arnulf Schneider (as of 6 March 2024)
Deutsche Bank AG, London Branch, United Kingdom

Angela Potter (as of 27 June 2024)
Deutsche Bank AG, London Branch, United Kingdom

Remuneration Committee

Dr Alexander Ilgen (until 26 June 2024)
Chair
Deutsche Bank AG, Frankfurt am Main, Germany

Volker Steuer (as of 27 June 2024)
Chair
Deutsche Bank AG, Frankfurt am Main, Germany

Rüdiger Bronn
Deutsche Bank AG, Frankfurt am Main, Germany

Angela Potter (as of 27 June 2024)
Deutsche Bank AG, London Branch, United Kingdom

Arnulf Schneider (as of 6 March 2024)
Deutsche Bank AG, London Branch, United Kingdom

Report of the Management Board

Deutsche Bank Luxembourg S.A.

Deutsche Bank Luxembourg S.A. (the 'Bank') was founded in 1970, the first foreign subsidiary to be established by Deutsche Bank AG (the 'Parent') after the signing of the Treaties of Rome (1957). Today, it is one of the leading financial service providers in the Grand Duchy of Luxembourg. The Bank is under the direct, sole ownership of the Parent. It is subject to direct prudential supervision by the European Central Bank (ECB); in Luxembourg, the Bank is supervised by the Commission de Surveillance du Secteur Financier (CSSF). The Bank is a non-trading book institution having regulatory own funds – consisting of balance sheet equity and eligible subordinated liabilities as defined under Capital Requirements Regulations (CRR) – amounting to approximately €6.3bn as at 31 December 2024.

Corporate Governance

Since 2014, the Bank's Articles of Association have provided for a two-tier system of corporate governance comprising a Management Board and a Supervisory Board. The Bank has thus aligned itself with the Parent's corporate governance system. The Management Board has overall responsibility for managing the Bank's business activities in accordance with the applicable prudential requirements and based on the business allocation plan adopted by the Supervisory Board. The Supervisory Board oversees the activities of the Management Board and adopts operational objectives and strategic guidelines in line with the Parent's requirements regarding overall Deutsche Bank Group. The Supervisory Board is supported by four sub-committees: the Audit, Risk, Nomination and Remuneration Committee. In addition, Internal Audit, the Compliance function, and the Risk Management function report independently to the Supervisory Board as and when required.

Business Model

The Bank's business model is diversified, client focused and international, i.e., geared to cross-border business. For many years – and across economic, business and product-related cycles – this has enabled the Bank to make a significant positive contribution to Deutsche Bank AG's consolidated earnings. At the same time, the Bank's risk-bearing capacity and risk appetite are based on its own capital, liquidity, and operational resources. One defining feature of its business model as a non-trading book institution, and of importance from a client perspective, is the long-term nature of the Bank's chosen areas of activity:

Corporate Bank - Relationship & Transaction Management / Lending Advisory & Services and Trust & Agency Services

The Bank is the proven centre of excellence within Deutsche Bank Group for the provision of medium- to long-term financing to listed, owner-managed and other relatively large businesses. Its position as a lender, agent and international service provider to clients in bilateral and syndicated lending is based on decades of expertise in the lead management of international lending syndicates, the legal formulation of credit documentation, particularly in cross-border transactions, and reliable credit servicing and administration including monitoring, administration, and consideration of ESG-relevant contractual components over the entire transaction lifecycle.

Besides its lending activities, Trust & Agency Services is also the loan agency hub for the Europe, Middle East and Africa (EMEA) region, offering respective services internally to the Corporate Bank, Investment Bank, and Private Bank as well as to external clients. In addition, the Bank also provides bond agency services to Financial Institutions, Non-Bank Financial Institutions (NBFI), and large corporates in connection with their bond activities in the debt capital markets.

Starting in 2024 Trust & Agency Services is looking to expand its product offering in 2025 to include Account Bank and Escrow Services which is already being provided in other locations with a Trust & Agency Services presence. Furthermore, Trust & Agency Services intends to provide fiduciary deposits where the Bank will act as a fiduciary agent under a fiduciary contract governed by the Fiduciary Act 2003.

Investment Bank - Structured Finance and Fiduciary Issuance

The Bank, in collaboration with Deutsche Bank Group´s international network, supports clients with structured financing across the entire maturity spectrum. Its activities focus on high-quality capital goods, such as special-purpose vessels and aircraft, as well as long-term utility and infrastructure projects, including alternative energy and transportation routes.

Through its structured finance operations, the Bank has developed significant expertise in the domestic and cross-border management and administration of corporate and financial interests. This is rooted in its extensive experience with company law and accounting-related support, corporate governance, and risk management. Supported by its strong capital base, the Bank is well equipped to navigate the risks and opportunities associated with equity and financial investments, managing them over the long term in compliance with applicable regulatory frameworks. Its wholly owned subsidiary, DB Credit Investments S.à r.l., manages a substantial portion of the Bank´s indirect shareholdings.

Furthermore, the Bank frequently acts as a fiduciary issuer for institutional investors, such as insurance companies and pension providers, under its €15bn capital market issuance program listed on the Euro MTF market of the Luxembourg Stock Exchange since 2020 (formerly listed on the Irish Stock Exchange). In its role as trustee - and occasionally as an investor - the Bank facilitates access to alternative financing solutions while providing institutional investors with diversified investment opportunities.

By promoting innovative financing structures, the Bank plays a pivotal role in strengthening and diversifying capital market-based solutions. These efforts align with the European Union´s objectives of enhancing the financial system and advancing the Capital Markets Union, while supporting holistic risk management and long-term sustainability.

Private Bank - Wealth Management

The Bank is the proven centre of excellence within the EU for international Wealth Management clients across different markets in Europe and the Middle East, focusing on the identified strategic target segments of U/HNWIs (Ultra-/High-Net-Worth-Individuals), entrepreneurs and family offices, which the Bank covers and supports in their needs on both sides of their balance sheet (i.e., investments and financing). In this context, the Bank makes use of the freedom to provide investment advice and distribute financial products across borders within the EU single market in accordance with the applicable provisions. In recent years, the Bank has strengthened its client coverage of selected markets through targeted investments in specialist staff and initiatives to enhance its platform efficiency and effectiveness. Besides its investment expertise, the Private Bank - Wealth Management in Luxembourg is also a centre of excellence in the lending space, where it can draw on several years of experience and a proven track record, particularly in structured financing solutions.

Treasury - Balance Sheet, Capital, Liquidity, Interest Rate and Currency Management

The Bank is a non-trading book institution and has its own balance sheet, capital, liquidity, interest rate and currency management function (Treasury) that operates independently of the business divisions. Nevertheless, the Bank is integrated into Deutsche Bank Group’s overall liquidity management and funding framework. In principle, therefore, the Bank is able to tap into the Parent’s funds for refinancing purposes within a defined credit limit. For further explanatory notes on liquidity and risk management, please refer to the Risk Report (note D).

As disclosed in Deutsche Bank AG’s 2024 Annual Report, the Bank continues to operate with the support of its parent entity.

Strategy

Global Hausbank

Deutsche Bank’s Strategic and financial roadmap through 2025 aims to position Deutsche Bank as a Global Hausbank, dedicated to its clients’ lasting success and financial security at home and abroad, and to achieve Deutsche Bank’s financial targets and capital objectives. The Global Hausbank strategy is underpinned by three key themes: risk management, sustainability, and technology, all of which have become more important considering the ongoing geopolitical and macroeconomic challenges.

The Bank contributes to this strategy as a key subsidiary and one of the leading financial service providers in the Grandy Dutchy, most notably as a centre of excellence for bilateral and syndicated lending & advisory and agency business to corporates, private institutions, and extended families as well as a European service centre of excellence for the Private Bank, and a platform for structured lending and investing solutions for our clients across the globe.

Progress on Strategy implementation

In 2024, despite the geopolitical challenges associated with the war in Ukraine and the Middle East and Africa, including related sanctions, continued global inflationary pressures and supply chain disruptions, the Bank made progress across all dimensions of its strategy benefitting from its disciplined management approach, investments, transformation and business model realignments in recent years. In addition, balance sheet and capital management, process and system rationalization, targeted investments in technology and people allowed the Management Board to continue pursuing its strategy of responsible qualitative growth in 2024, delivering against the Deutsche Bank Group revenue growth, cost/income ratio and capital objectives.

The Bank’s strong capital and liquidity position enabled it to continue serve its clients’ needs in 2024 by providing funding and financial solutions throughout this challenging period, thereby providing valuable economic support to the markets in which it operates. During this period, the Bank remained disciplined in its approach to risk management with a CET1 ratio of 10.3% (2023: 10.9%), a Tier 1 Capital ratio of 11.4% (2023: 12.1%), a Total Capital ratio of 13.3% (2023: 14.1%), a leverage ratio of 8.0% (2023: 8.7%) and a liquidity coverage ratio of 141% (2023: 149%) as at 31 December 2024, all well above regulatory minimums and internal targets.

In Corporate Banking, the Bank's strategic position as Deutsche Bank Group's European loan finance and agency hub played a pivotal role in the liquidity and credit supply to and in support of European corporates during the geopolitical crises and ongoing macro-economic challenges. This business, which is a strategic pillar and one of the Bank´s 'raisons d'être', grew in 2024 compared to the previous year and continues to be a focus growth area for 2025.

The Investment Banking business, guided by the strategic business model, as described above continued to pursue opportunities that leverage its expertise in the provision of structured financing solutions for high-quality capital goods (special-purpose vessels, etc.) and as a fiduciary issuer and administrator of relevant fiduciary estates for the benefit of its institutional clients under the above-mentioned fiduciary issuance program. In the structured financing solutions business 2024 the Bank executed a landmark financing solution in the space industry in Luxembourg.

In its activities as Private Bank in 2024, the Bank continued to expand its coverage platform capabilities and its role as a European service centre and centre of excellence within Deutsche Bank Group focusing on the needs of its ultra-/high-net worth individual, entrepreneur and family office clients. Looking forward, the Bank will continue to progressively scale up and expand its presence in geographical target markets, as well as its coverage model and product range.

Overall, regarding the financial targets and capital objectives of Deutsche Bank Group, in 2024 the Bank has made a positive contribution to the group outperforming key financial targets and maintaining disciplined risk, liquidity and capital management and is on track to continue that in 2025.

The Bank's business and organizational model remains agile and forward looking; the Management Board continually reviews the Bank's strategic financial ambitions and sustainability ambitions to take into account, the continuous changes in client, regulatory, environmental, technological, and legal landscapes as well as general market and competitive trends. The Management Board, the Supervisory Board, together with the Deutsche Bank Group, regularly discuss any need for strategic investments and adjustments. In this regard, Deutsche Bank plans to provide more details on its strategic aspiration and actions beyond 2025 in due course.

Organisation

As a stand-alone entity, the Bank has its own organisational structure and functional management system covering all relevant banking operations. At the same time, it capitalises on its membership of the Deutsche Bank Group to benefit from both economies of scale and scope alongside to specialisation effects. The Bank makes use of certain banking operation services from affiliated companies, while always retaining responsibility for service provider management. Similarly, affiliated companies of Deutsche Bank Group draw on the Bank's proven expertise and services in defined areas.

Employer

The Bank is a recognised international employer. At the end of 2024, it employed 324 staff members (2023: 348) from 42 countries (2023: 36). Luxembourg residents make up 39% (2023: 35%) of the Bank's workforce; a total of 39 (2023: 36) staff members are Luxembourg nationals. Cross-border commuters from neighbouring countries Belgium, Germany and France comprise 61% (2023: 65%) of the workforce.

45% (2023: 48%) of the total workforce and 25% (2023: 28%) of executives (Managing Directors, Directors and Vice Presidents) are female. At the end of 2024, the average length of service across the total workforce was approximately 11.5 years (2023: 11.6 years). During the 2024 financial year, 26 new members of staff (2023: 60 new members of staff) joined the Bank, 24 (2023: 60) of them on permanent contracts, and 15 long-serving employees of the Bank retired.

For many years, the Bank has made a continuous and sustained contribution to students' development through its internship program, which is widely known and recognised by universities. In 2024, the Bank gave 25 (2023: 29) students from 10 countries the opportunity to gain practical work experience in the financial services industry.

Corporate Citizenship

The Bank has had its home in the Grand Duchy of Luxembourg since 1970, with its registered office on the Kirchberg Plateau (2, boulevard Konrad Adenauer, L-1115 Luxembourg) since 1991 in a building designed by the architect and winner of the Pritzker Architecture Award – Professor Gottfried Böhm (1920-2021). As a member of Private Art Kirchberg, the Bank has for many years made a relevant contribution to dialogue around economic and social issues as well as to cultural life in the Grand Duchy of Luxembourg through a variety of private tours of art collections and special exhibitions, and as a venue for forums.

Memberships and Interest Groups

The Bank is a member of the Luxembourg Bankers' Association (Association des Banques et Banquiers, Luxembourg [ABBL]) and the Luxembourg Chamber of Commerce.

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Review of Financial Results

The Bank's financial position and performance during the 2024 financial year continued to be influenced by the economic impact of central banks' interest rate policy as interest rates continued at elevated levels for the first half of 2024 with weakening of inflation enabling the ECB to start an interest rate cut cycle in the latter half of the year. Following a mild contraction at the beginning of the year, lending to both companies and households recovered slightly in the second half of the year in line with the moderate decline in interest rates, additionally, both corporate and private client deposits picked up reasonable momentum throughout the course of the year. All of this resulted in an overall stronger interest income result for the Bank for 2024.

The global economy saw robust growth in 2024. However, growth in Europe, being largely export led, was comparatively weak. Despite observed lower inflation and rising wages, a real income-driven consumption recovery has been slow to materialise. More specifically, the German economy shrank slightly for another year, as both domestic and foreign economic drivers remained weak and private consumption stagnated despite easing inflation and strong wage growth. The weakening of the competitive position put a strain on the manufacturing industry and also foreign trade, this in part had an impact on our credit loss provisions for 2024.

Key benchmark interest rates declined during the year as follows (source: Bloomberg):

	Minimum (%)		Maximum (%)		Average (%)	
	2024	2023	2024	2023	2024	2023
3-month Euribor (EUR)	2.68	2.16	3.97	4.00	3.57	3.43
SOFR (USD)	4.30	4.30	5.40	5.40	5.15	5.01

Balance Sheet & Off-Balance Sheet

The Bank's extension of credit to its clients increased during 2024 with total assets increasing by €2.0bn, guarantees by €1.5bn and commitments by €3.0bn over previous year-end levels. The key contributors to this growth were as follows:

Loans and advances to credit institutions (€14.6bn – primarily funds on deposit with the Parent, fellow Group entities and the Central Bank of Luxembourg) increased by €0.8bn in 2024, driven by growth in deposits placed with the Parent and an increase in funds required to meet regulatory liquidity requirements.

Loans and advances to clients (€19.0bn) were €1.0bn higher than the previous year as the Bank grew its lending activities on the back of growing client demand for liquidity in a declining interest rate environment. Over the same period, the Bank provided (net) new commitments of €3.0bn to its clients.

The Bank's overall funding increased in proportion to the increase on the asset side of the Balance Sheet, i.e. by €2.0bn. The key contributors were as follows:

Deposits from credit institutions (mainly Deutsche Bank entities/the Parent) increased by €1.1bn.

Client deposits increased by €0.8bn (of which term deposits increased by €0.7bn and deposits repayable on demand by 0.1bn, improving our stable funding base).

During 2024, the Bank's own funds remained stable.

Deutsche Bank Luxembourg S.A. does not have any branches, nor does it hold its own shares.

Profit and Loss

The key components of the Bank's net income compared to the prior-year period as follows:

Net Results

in € k.	2024	2023
Net interest income	582,477	533,274
Net commission income/(expense)	–36,746	–23,026
Net result from financial operations	–23,416	–49,404
General administrative expenses	–192,961	–195,896
Depreciation of tangible and intangible assets	–5,678	–486
Operating profit I	**323,676**	264,462
Income from transferable securities including value adjustments	15,718	14,845
Value adjustments in respect of participating interests and equities in affiliated undertakings	–105	0
Other operating net income	254,721	280,552
Operating profit II	**594,010**	559,859
Depreciation of and value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	–119,660	–117,255
Taxes	–89,088	–85,806
Payments associated with subordinated liabilities	–107,811	–65,880
Net income	**277,451**	290,918

The Bank's net interest income (NII) increased by €49.2m to €582.5m in the current year. Several drivers contributed to this strong year-on-year trend. Central banks' increase interest rates continued at elevated levels in 2024, with moderate interest rate reductions resulting in an overall higher interest income effect in part as a result from the Bank's funding mix as a significant portion of our loan business is funded by non-interest-bearing own funds. The positive trend in NII was also driven by the Bank increasing its lending to clients by €1bn throughout the year, these two effects more than compensate for a one-off interest income effect of approximately €40m in respect of certain loans reclassified from irrecoverable to doubtful debts in the previous year.
'Interest costs' of €107.8m (€41.9m higher than 2023 – see note B11) relating to the Bank's subordinated liabilities, which qualify as Upper Tier I and Tier II capital under bank supervisory regulations, are not reflected as NII in order to transparently disclose the associated cost of these subordinated instruments.

The net commission result for the year reduced by €13.7m compared to the prior year. Commission income increased by €15.3m year over year to €123.6m (see note C2) as a result of higher in fees and commissions in the Corporate Bank from growth in lending volumes, and also as a result of a stronger wealth management fee pool in the Private Bank with higher Client Business Volumes. Commission expenses, consisting primarily of transfer pricing costs incurred by the Corporate Bank's risk hedging activities, increased by €29.0m in 2024 (see note C3). Credit protection purchased from Deutsche Bank Group entities, in the form of participations in collateralised loan obligations (CLOs), amounted to approximately 81% of the total amount reflected as commission expenses for the year.

The net result from financial operations primarily comprises premiums paid/received and valuation changes in respect of credit default swaps (hedging loans to customers carried at amortised cost) and the net foreign exchange result for the year. The net result for 2024 was a loss of €23.4m, which was a €26m improvement relative to the prior year. This was primarily driven by a reduction in costs incurred in respect of premiums paid/received and valuation changes in respect of credit default swaps of €30.3m in 2024.

General administrative expenses remained stable with a moderate reduction of €2.9m year on year to €193.0m in 2024. These costs include both direct costs related to business activities conducted by the business and infrastructure functions in Luxembourg and transfer pricing (costs levied by other Deutsche Bank entities providing global/regional services consumed by the Bank under formally concluded transfer pricing agreements). The reduction was largely driven by a saving in direct costs of €5.2m in VAT expenses related to an increase in the Bank's deductible VAT, this was partly offset by an increase in costs incurred in connection with services provided to the Bank by the Group under transfer pricing agreements.

The valuation adjustment in respect of participating interests and equities in affiliated undertakings of €-105k relates to an impairment in the VCJ Lease S.à r.l. holding which was liquidated in December 2024.

Other operating net income reduced by €25.8m year on year to €254.7m in 2024, mainly driven by a one-off reimbursement of €20.5m in 2023 related to prior-period tax returns. and the FRL and FGDL contributions were lower than the previous year by €6.2m (see note E below – Other information). The Bank received compensation in the amount of €236.6m in 2024 (2023: €236.2m), relatively stable year over year, in connection with below-market interest rates earned in respect of the relationship lending activities of the Strategic Corporate Lending (SCL) business (refer to the Lending section of the Risk Report, note D below, for further details regarding SCL).

Specific provisions for credit losses, net of provisions released and associated recoveries from credit protection instruments, increased by €37.4m year on year, mainly related to two specific eurozone exposures affected by idiosyncratic events. An amount of €35m (2023: €70m) was added to the Bank's lump-sum provision to strengthen the Bank's reserves, reflecting a continued prudent assessment of economic uncertainties into 2025. The ongoing major geopolitical events namely the war between Russian and Ukraine and the conflict in the Middle East, did not have a specific material impact on the credit provision. Overall, the Bank increased its provisions for risks by €120.0m in 2024 (see note C7).

Adequate provisions have been made for other material risks related to the lending and securities businesses.

Review of Key Regulatory Metrics

During the 2024 financial year, the Bank remained prudent in its approach to risk management, reporting a CET1 ratio of 10.3% (2023: 10.9%), a Tier 1 Capital ratio of 11.4% (2023: 12.1%), a Total Capital ratio of 13.3% (2023: 14.1%) , a leverage ratio of 8.0% (2023: 8.7%) and a liquidity coverage ratio of 141% (2023: 149%) as at 31 December 2024, all well above regulatory minimums and internal targets.

The Bank's regulatory own funds, comprising balance sheet equity and eligible subordinated liabilities, remained stable over the course of 2024 at €6.3bn (2023: €6.3bn). Total risk-weighted assets (RWA) increased to €47.1bn (2023: €44.5bn) as at the reporting date. This increase was driven by the lending-related growth mentioned above.

The Bank complied with all minimum capital requirements throughout the 2024 financial year.

Business Policy and Risk & Capital Management Strategy

As a subsidiary of Deutsche Bank AG, the Bank operates within the framework of Deutsche Bank's Group-wide business strategy. The operational and strategic objectives of the Bank's individual business divisions are incorporated into the general planning for the corporate divisions of Deutsche Bank Group.

In terms of its organisational structure and IT landscape, the Bank is integrated into the risk and capital management governance and the finance organisation of Deutsche Bank Group including its systems. This means that the Bank manages its capital and risks based on a framework of risk policies, organisational structures and processes which are standardised throughout Deutsche Bank Group, are closely aligned with the activities of the corporate divisions and incorporate the requisite regulatory requirements. Accordingly, all defined risks have been adequately taken into account.

In accordance with its business strategy, the Bank must manage the following major risk categories:

– Credit risk, especially default, migration, and portfolio concentration risk
– Market risk, especially interest rate and credit spread risk in the banking book risk
– Liquidity risk
– Operational risk, as part of the 'non-financial risk'
– Climate and environmental risk, and
– Reputational risk.

These risks were monitored appropriately at all times during the 2024 financial year. Detailed information on the management of the main risk categories and quantitative statements on financial instruments are provided in the notes and in the Risk Report (note D).

The Bank's business policy, risk and capital management principles are established and monitored by the Supervisory Board and the Management Board. This takes place, inter alia, at the regular meetings of the Supervisory Board and of the Management Board. The Supervisory Board has established an Audit Committee, a Risk Committee, a Nomination Committee, and a Remuneration Committee from among its members for the purpose of providing overall support and organising its activities. The Management Board has the authority to issue local credit approvals.

In addition, the Asset & Liability Committee (ALCo) set up by the Management Board meets quarterly to discuss the Bank's current liquidity, capital, risk, and balance sheet situation as well as the effect of any new business types or activities and of special transactions on the Bank's risk profile and capital and liquidity resources, and takes appropriate measures if necessary. It also discusses and acknowledges the Risk and Capital Profile (RCP) report as part of the Internal Capital and Liquidity Adequacy Assessment Process (ICAAP/ILAAP) in order to present the RCP for approval to the Management Board. The ALCo thus performs the role of Capital and Risk Committee (CaR) in accordance with the relevant CSSF Circular.

Outlook for 2025

Deutsche Bank's general expectations for the global economy and banking industry regarding future economic and industry developments indicate that the global economy is likely to expand at a similar pace to last year driven by the continued recovery of various key developed nations. Growth drivers are likely to be varied in Europe as key member states may adopt more restrictive fiscal policies. The German economy on the other hand is expected to expand driven by private and government spending. The expected weakening of inflation is likely to allow the ECB to make further interest rate cuts which could add a boost to growth expectations and specifically the construction industry. US growth momentum is expected to remain solid upheld by a strong labour market and private consumption, and Asian Economies are expected to continue their recovery with robust expansion expected in China driven by domestic demand and favourable fiscal policy measures.

There are a number of risks to the Bank's global economic outlook. Geopolitical risks remain elevated in Ukraine and in the Middle East. A major multidimensional source of economic policy uncertainty will be additional tariffs and which countries introduce them. This concerns both the absolute level, the timing of implementation, and the scope of goods affected. 2025 will see further important elections, the news surrounding these, and their outcomes could have potential to impact growth expectations at least in the short term.

The global banking industry will likely continue to operate in a relatively favourable environment in 2025. With a stably growing world economy and a further moderate decline in interest rates, loan growth might pick up, while interest margins could come somewhat under pressure. Despite that, we expect overall revenues to maintain their positive momentum, with the sweet spot in capital markets expected to last, which should benefit investment banking with associated lending and trading activity. Banks' asset quality may stay largely resilient, and profitability therefore elevated.

Banks in Europe are expected to experience greater headwinds than their US peers from falling interest rates and margins. Likewise, subdued momentum in the major economies is limiting business volume growth. However, fee and commission income might partly compensate for lower interest income with capital market activity potentially increasing. In addition, political initiatives to push forward with Capital Markets Union appear to be gaining more traction than in previous years and could lead to significant progress in some areas such as securitisation. Nominal net income is likely to remain close to its all-time high.

The Bank's capitalisation, control environment and risk management provide adequate scope to take advantage of opportunities for responsible qualitative growth in in 2025 in line with its business model and key fields of activity as an integral part of Deutsche Bank Group.

The strategic and organisational measures taken over the past years as well as the continued optimisation of the Bank's operations have created a suitable platform for the continued pursuit of responsible qualitative growth. Nevertheless, maintaining costs at an acceptable level and implementing both ongoing and new regulatory requirements such as the CRR3/ CRD6, Corporate Sustainability Reporting Directive (CSRD), the Digital Operational Resilience Act-EU (DORA) and other regulatory requirements remains a continued priority of the Management Board. The Management Board will manage the Bank's business in these circumstances, as it has successfully done in the recent past.

Regarding the Bank's credit portfolio and in the context of robust collateral management, effective hedging strategies and close monitoring of credit risk, the Bank currently expects a decrease in its risk provisioning in 2025 (compared to 2024), with a return to previous levels in the near-term (2026 to 2029). To strengthen the credit risk management the Bank established a Non-Performing Exposure Strategy in 2024 with an enhanced execution process as part of the operational plan for distressed engagements. Supported by this strategy and the expectation of stable growth expectations across our diversified portfolio the return to lower risk provisions is regarded justified especially noting one off provisions taken in 2024. The Bank will continue to monitor non-financial risk closely and to further enhance its methods for recording and monitoring risk on an ongoing basis, adapting them as necessary to meet new requirements.

During 2025, the Bank will continue to perform and expand on its role as the centre of excellence for bilateral and syndicated lending & advisory and agency business to corporates, private institutions and extended families as well as growing its client coverage platform capabilities, geographical target market, product range and its role as a European service centre of excellence for the Private Bank by investing in its staff and systems. Furthermore, in the coming year and beyond, the Bank will look at offering and investing in new products, services and solutions, especially in the Corporate and Private Banking segments. In addition to the above initiatives, the Bank will maintain its focus on process efficiency and costs and will seek to leverage innovative technologies alongside its own sound capital base and strong liquidity position to this end.

Finally, the Bank will continue to act as a fiduciary issuer and administrator of relevant fiduciary estates within the framework of its €15bn capital market issuance program, which is listed on the Euro-MTF market of the Luxembourg Stock Exchange and selectively assist clients in structured asset-based financing solutions together with other structuring units and coverage entities within Deutsche Bank Group.

Considering the geopolitical and macroeconomic environment, the political and regulatory climate, and the competitive conditions and landscape of the financial services industry, the Bank expects to build on its satisfactory 2024 operating result in 2025. Business performance since the beginning of the current financial year supports this assessment.

Corporate Sustainability Reporting Directive

The Corporate Sustainability Reporting Directive (CSRD) establishes a uniform framework for the reporting of non-financial data for companies operating in the European Union. After its adoption in November 2022 by the European Parliament, the CSRD entered into force on 5 January 2023.

The CSRD expands and replaces the Non-Financial Reporting Directive (2014/95/EU) (NFRD). It requires in-scope companies to disclose sustainability information in accordance with the mandatory European Sustainability Reporting Standards (ESRS) which set out the environmental, social, human rights and governance factors including the specific reporting requirements.

At the time of publishing this Annual Report, Luxembourg has not yet transposed the CSRD into national Law, however, the requirement to publish sustainability disclosures for the financial year starting on or after 1 January 2024 as set out in the CSRD and the available draft Luxembourg Law do not apply to the Bank, therefore no additional sustainability disclosures as required by the CSRD have been made for the financial year starting on 1 January 2024.

Events after the Reporting Period

No material events occurred after the reporting date which had a significant impact on the profit and loss, financial position or net assets.

We would like to thank our employees for their expertise, diligence, hard work and the responsible, constructive approach they demonstrate every day in the interests of the Bank’s stakeholders. Furthermore, we would like to thank our clients, our sole shareholder, the members of the Supervisory Board and the employee representatives for the trust they continue to place in us and their steadfast cooperation.

Luxembourg, 27 March 2025

The Management Board

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Financial Statements

Balance Sheet

as at 31 December 2024

Assets

in € k.	[Notes]	31 Dec. 2024	31 Dec. 2023
Cash in hand, balances with central banks and post office banks	[B3]	87,755	59,460
Loans and advances to credit institutions	[B1, 2, 3, 7]	14,588,088	13,785,633
repayable on demand		203,730	351,841
other loans and advances		14,384,358	13,433,792
Loans and advances to clients	[B1, 2, 3, 7]	18,996,194	17,962,237
Debt securities and other fixed-income securities	[B1, 2, 3, 4]	4,963	4,648
of public issuers		0	0
of other issuers	[B7]	4,963	4,648
Shares in affiliated undertakings	[B5, 6]	496	553
Tangible assets	[B6]	2,413	2,752
Intangible assets	[B6]	31,938	26,710
Other assets	[B9]	418,586	332,015
Prepayments and accrued income		225,064	160,335
Total assets		34,355,497	32,334,343

Liabilities and Equity

in € k.	[Notes]	31 Dec. 2024	31 Dec. 2023
Amounts owed to credit institutions	[B2, 3, 14]	22,716,808	21,590,289
– repayable on demand		63,892	374,313
– with agreed maturity dates or periods of notice		22,652,916	21,215,976
Amounts owed to clients	[B2, 3, 14]	4,184,604	3,427,470
other debts		4,184,604	3,427,470
– repayable on demand		915,236	813,430
– with agreed maturity dates or periods of notice		3,269,368	2,614,040
Other liabilities	[B9]	278,031	255,343
Accruals and deferred income		463,923	380,629
Provisions for liabilities and charges		341,895	296,072
provisions for pensions and similar commitments		0	0
provisions for taxation		38,953	14,122
other provisions	[B10]	302,942	281,950
Subordinated liabilities	[B2, 11]	1,400,000	1,400,000
Subscribed capital	[B12]	3,959,500	3,959,500
Share premium account		55,600	55,600
Reserves	[B13]	677,685	678,522
Net income	[B13]	277,451	290,918
Profit/loss carried forward	[B13]	0	0
Total liabilities and equity		34,355,497	32,334,343

Off-Balance Sheet Items

in € k.	[Notes]	31 Dec. 2024	31 Dec. 2023
Contingent liabilities	[B3, 15]	8,663,674	7,201,261
of which:			
Guarantees and assets pledged as collateral security		8,645,476	7,183,063
Other contingent liabilities		18,198	18,198
Commitments	[B3, 16]	48,974,274	45,978,021
Fiduciary operations	[B3]	5,213,246	5,942,514

The Notes to the Accounts are an integral part of the Annual Financial Statements.

Profit and Loss Account

for the year ended 31 December 2024

in € k.	[Notes]	1 Jan.– 31 Dec. 2024	1 Jan.– 31 Dec. 2023
Interest receivable and similar income		1,882,170	1,622,044
of which:			
from fixed-income securities		0	0
Interest payable and similar charges		1,299,693	1,088,770
Income from transferable securities		15,718	14,845
from shares in affiliated undertakings		15,718	14,845
Commissions receivable	[C2]	123,575	108,299
Commissions payable	[C3]	160,321	131,325
Net result from financial operations	[C4]	−23,416	−49,404
Other operating income	[C5]	255,495	287,203
General administrative expenses		192,961	195,896
Staff costs		42,594	41,688
of which:			
– wages and salaries		36,818	34,422
– social security costs		4,640	5,949
of which: pensions		3,177	4,130
Other administrative expenses		150,367	154,208
Depreciation of and value adjustments to tangible and intangible assets		5,678	486
Other operating charges	[C6]	774	6,651
Depreciation of and value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	[C7]	119,660	117,255
Value adjustments in respect of securities held as financial fixed assets, participating interests and equities in affiliated undertakings	[C8]	105	0
Taxes on profit on ordinary activities	[C9]	88,368	84,909
Profit on ordinary activities after taxes and before payments for participation rights		385,982	357,695
Other taxes not shown under the preceding items		720	897
Payments associated with subordinated liabilities	[B10]	107,811	65,880
Net income		277,451	290,918

The Notes to the Accounts are an integral part of the Annual Financial Statements.

Notes to the Accounts

Deutsche Bank Luxembourg S.A.

A. Principles and Methods

Corporate Matters

The Bank was founded on 12 August 1970 in Luxembourg in the legal form of a Société Anonyme. The Bank is wholly owned by Deutsche Bank AG, Frankfurt am Main, Germany.

The Bank's business policy and valuation principles are established and monitored by the Management Board unless prescribed otherwise by Luxembourg or other applicable rules and regulations.

Business Object of the Bank

The object of the Bank, in accordance with the Articles of Association, is to transact banking and financial business for its own account and for the account of third parties and all activities directly or indirectly connected thereto.

Annual Accounts

The Bank's financial year is aligned with the calendar year.

The Bank's presentation and functional currency is the euro.

Deutsche Bank Luxembourg S.A. is a parent company pursuant to Article 77(1) of the law adopted on 17 June 1992 regarding the annual accounts and consolidated accounts of banks incorporated under Luxembourg law (in its amended version; hereinafter referred to as the law on the accounts of banks). As a subgroup, Deutsche Bank Luxembourg S.A. is exempt from the obligation to prepare its own consolidated accounts and a consolidated Management Report pursuant to Article 80 of the law on the accounts of banks.

The annual accounts of Deutsche Bank Luxembourg S.A. are included in the consolidated financial statements of Deutsche Bank Group in accordance with IFRS. Deutsche Bank AG, Frankfurt am Main, Germany, draws up the consolidated financial statements for the relevant group of companies.

The current Annual Report for Deutsche Bank AG can be accessed at www.db.com/annual-reports.

The following is a description of the significant accounting policies of the Bank. These policies have been consistently applied during the period covered by these accounts.

Accounting and Valuation Principles

The Bank draws up its annual accounts in accordance with the laws and regulations of the Grand Duchy of Luxembourg under the historical cost principle and on the basis of accounting principles generally accepted in the banking sector in the Grand Duchy of Luxembourg.

In particular, the following accounting principles and valuation methods are applied:

– Foreign currencies
Transactions are accounted for in their respective currencies on the day they are concluded.

Expenses and income in foreign currency are recorded daily in the Profit and Loss Account at the prevailing exchange rates.

Assets and liabilities in foreign currency are valued at the foreign exchange mid-market rate at the balance sheet date. Historical exchange rates are used for hedged deals. Open forward exchange contracts are converted at the forward rate for the remaining term at the balance sheet date.

– Derivative financial transactions

Derivative financial transactions such as currency interest rate swaps, interest rate swaps and futures or forward rate agreements (FRAs) are used for the purpose of managing the interest rate and currency risk as part of the Bank's asset and liability management. The Bank's obligations arising from such transactions are accounted for as at the transaction date. Commitments resulting from operations in relation to forward financial instruments on interest rates, foreign exchange rates or on market rates are recorded as off-balance sheet items at the nominal value of the contracts.

Currency-related transactions are concluded to hedge exchange rate risks for the Bank's own account and on behalf of clients.

Where the Bank concludes derivative financial transactions in line with an economic hedging strategy, such derivatives form economic units in combination with the underlying asset or liability exposures. In view of the economic objectives of such operations, year-end revaluation or provisioning is not considered necessary.

The derivatives related to the credit risk portfolio of the Strategic Corporate Lending (SCL) business division are to be considered separately with the following sub-portfolios:
- credit derivatives issued in the context of the assumption of risks (credit default swaps), and
- credit derivatives received as collateral for the underlying transactions (likewise primarily credit default swaps)

With the underlying transactions the Bank is not pursuing a trading strategy intended to generate a profit in the short term. The hedging transactions are therefore structured primarily to cover the credit default risk of the underlying transactions. There is no separate examination of other risks (particularly market risks) provided that the uncollateralised risks from the underlying and hedging transactions are considered to be comparable, subject to low volatility, and deemed to be negligible. The hedging transactions were typically concluded with the London branch of Deutsche Bank AG, primarily in the form of credit default swaps, taking into account specific risk tolerance and hedging parameters agreed by the Bank (usually in cooperation with the Group-wide Credit Risk Management unit of Deutsche Bank AG).

From a balance sheet perspective, this distinct portfolio of derivatives is reported on a net basis in 'Other provisions' for the negative value and the change in fair value and premiums paid recorded in 'Net profit on financial operations' in Profit and Loss. Positive market value is not recognised.

– Treatment of premiums/discounts

Premiums and discounts on amounts receivable and amounts owed are accounted for on a pro rata temporis basis.

With regard to securities, premiums are also accounted for on a pro rata temporis basis. Discounts from the purchase of bonds and other fixed-income securities are not booked to the Profit and Loss Account until final maturity or sale.

– Loans and advances

Loans and advances are valued at their disbursement value less repayments made. The Bank recognises specific value adjustments in respect of doubtful and irrecoverable debts for creditworthiness and country risks in accordance with its internally defined valuation standards. These value adjustments and risk provisions are not continued if the reasons for which they were made have ceased to apply.

– Lump-sum provision for inherent risks

In accordance with the legislation prevailing in Luxembourg, the Bank establishes a lump-sum provision for inherent risks in risk-bearing assets weighted pursuant to regulatory law including the credit risk equivalent from derivatives (*Bemessungsgröße*). Such provisions are capped at 1.25% of risk-weighted assets (excluding operational risk amounts).

Pursuant to the instructions issued by the Luxembourg tax authority on 16 December 1997, the above lump-sum provisions are tax deductible, provided the deduction is recorded in the same period.

The lump-sum provision is to be allocated in proportion to the underlying elements to:
- a value adjustment deducted from the respective risk-weighted asset positions, and
- a provision in respect of off-balance sheet exposures reported under 'Other provisions'.

– Financial fixed assets

Participating interests, shares in affiliated companies, debt securities and other fixed income securities that the Bank intends to use on a continuing basis in the normal course of business are classified and valued as financial fixed assets.

– Securities

Securities are booked at cost using the weighted average method.

– Debt securities and other fixed-income securities

Securities the Bank holds for investment purposes are used for the long-term financing of external borrowers. Such securities are valued at the lower of cost or market value in conjunction with the option to maintain previous value adjustments (*Beibehaltungswahlrecht*) (see below). Where such securities form economic units in combination with hedging derivatives (refer to 'Derivative financial transactions' note above), year-end revaluation or provisioning is not required.

– Securities issued on a discounted basis

Such securities are accounted for at cost plus the proportionate difference between issue value and par value.

– Shares and other variable-yield securities

As at the reporting date, shares and other variable-yield securities were valued at the lower of cost and market value.

– Participating interests/shares in affiliated undertakings

Participating interests/shares in affiliated undertakings held as financial fixed assets are valued at cost or, if lower, at their market value. Value adjustments are made for permanent declines in value.

– Option to maintain previous value adjustments (*Beibehaltungswahlrecht*)

Value adjustments made in earlier years in respect of specific assets are maintained in accordance with Articles 56(2)(f) and 58(2)(e) of the law on the accounts of banks, even in cases where the market value of the assets has increased.

– Intangible assets

Intangible assets comprise capitalised software costs developed for internal use where it is probable that future economic benefits will flow to the Bank and the cost can be reliably measured. Capitalised costs are amortised once the items are brought into use over their estimated useful lives.

– Tangible assets

Office furniture and equipment are reported at cost less depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the office furniture and equipment. If there is a permanent diminution in value, the Bank may recognise impairment losses to value these assets at the impaired valuation attributable to them as at the balance sheet date.

Low-value assets are charged as operating expenses in the year of acquisition.

– Repurchase transactions

If the buyer undertakes to transfer the assets back to the seller at a date specified – or to be specified – by the seller, the assets continue to be reported in the seller's balance sheet. In this case, the transfer amount received by the seller is reported as an amount owed to the buyer – amounts owed to credit institutions or to clients. The buyer then reports the transfer amount paid as an advance to the seller; the assets involved are not reported in its balance sheet.

In the event of a buy-back option on the part of a buyer, the seller may no longer report the assets transferred; in the notes to the balance sheet, the seller specifies a contingent liability in the amount agreed for a potential buy-back.

– Provisions

Provisions are intended to cover clearly defined liabilities, which as at the balance sheet date are either likely to or certain to be incurred, but uncertain with respect to the amount or the date on which they will arise. Furthermore, it is allowed to set up provisions for clearly identified charges which may arise from past or present events and for which, as at the balance sheet date, uncertainties exist regarding the amount and/or time of occurrence. Provisions may not be used to adjust the values of assets.

– Financial guarantees

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantees written

The Bank issues financial guarantees as part of the Strategic Corporate Lending (SCL) business (see page 40 for more details). Financial guarantees issued are recorded as off-balance sheet items (contingent liabilities). Premiums received in relation to financial guarantees written are recorded in commission income.

Financial guarantees purchased

The Bank purchases credit protection from fellow Deutsche Bank Group entities (in the form of unfunded participations in collateralised loan obligations (CLOs) issued by Deutsche Bank Group entities). These arrangements are captured in transfer pricing agreements with Deutsche Bank Group entities and are accounted for in a similar manner to financial guarantees under IFRS.

Purchased financial guarantees are recorded as Off-Balance Sheet items but result in reimbursement assets under IAS 37 to the extent that the financial guarantee is entered into in order to mitigate the credit exposure from loans and advances (debt instruments). This results in a recognition of a reimbursement asset for subsequent increases in the specific credit risk provisions, to the extent it is virtually certain that the purchased financial guarantee will reimburse the Bank for the loss incurred. Accordingly, when the credit risk of the borrower significantly deteriorates or when a trigger event occurs under the CLO and Deutsche Bank Group entity records a payable to the Bank, a corresponding reimbursement asset is recognised equal to the proportion of the credit losses that are protected. The reimbursement assets are recorded in other assets as these accrue to the Bank through the transfer pricing agreements. The corresponding reimbursement gain is recognised as a reduction in specific credit risk provisions part of the Value Adjustment in Respect of Loans and Advances in the Profit and Loss account.

– Pension provisions

Pension provisions are calculated in line with IFRS, firstly to ensure consistency with the active management of the Deutsche Bank pension fund, which is oriented towards the IFRS approach, and secondly to appropriately adhere to the commercial law principle of prudence, which takes into account economic criteria (market-oriented actuarial interest rate, dynamics, etc.).

– Subordinated liabilities

Liabilities are recorded under subordinated liabilities when their status is subordinated to unsecured liabilities.

– Income taxes

Income taxes are recorded using the accruals method based on the Profit and Loss Account for the current financial year, taking into account tax-exempt revenues and non-deductible expenses.

Regarding The Global Minium Taxation Rules or Pillar 2 rules, the Bank accounts for any taxes in relation to Pillar 2 in a manner that will result in a consistent outcome to the IFRS treatment applied by Deutsche Bank Group. The Bank has determined that any global minimum top-up tax under Pillar 2 is an income tax expense in the period in which it is incurred and as such the Bank records any top-up taxes under Taxes on profit on ordinary activities. (This is similar to the principle under IFRS where such top up taxes would fall in the scope of IAS 12 and applying a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax means that under IFRS one would account for it as a current tax when it is incurred).

B. Notes to the Balance Sheet

1 – Lump-Sum Provision

In line with the Bank's allocation methodology as set out in the Accounting Principles and Methods note above, the lump-sum provision has been allocated as set out below. Amounts allocated to on-balance sheet positions are deducted from the related positions in the balance sheet; however, the detailed notes below (B2, B3, B4, B6, and note D) have been presented gross of such allocated provisions. Amounts allocated to off-balance sheet positions are included in note B10 - Provisions.

In € m.	2024	2023
Loans and advances to credit institutions	17	15
Loans and advances to clients	148	150
Debt securities and other fixed-income securities*	0	0
Shares in affiliated undertakings*	0	0
Other provisions	238	204
Total – 2024	**404**	369

* less than €500,000 and so rounded down to zero.

2 – Classification by Remaining Maturity

The tables set out below reflect the remaining contractual term to maturity of selected balance sheet items as at 31 December.

Loans and Advances

in € m.	On demand	Up to 3 months	3 months up to 1 year	1 year up to 5 years	Over 5 years	Total
Loans and advances to credit institutions	204	14,049	178	66	108	14,605
Loans and advances to clients	429	2,174	3,863	11,450	1,228	19,144
Debt securities and other fixed-income securities	0	0	0	0	5	5
Total – 2024	633	16,223	4,041	11,516	1,341	33,754
Total – 2023	543	15,315	2,928	11,943	1,189	31,918

Term loans and advances to clients having a nominal value of €682m (2023: €700m) were deposited as collateral with Banque centrale du Luxembourg (BCL) as at the balance sheet date.

Amounts Owed

in € m.	On demand	Up to 3 months	3 months up to 1 year	1 year up to 5 years	Over 5 years	Total
Amounts owed to credit institutions	64	12,156	4,805	5,181	511	22,717
Amounts owed to clients	915	2,343	870	53	4	4,185
Subordinated liabilities	0	0	0	0	1,400	1,400
Total - 2024	979	14,499	5,675	5,234	1,915	28,302
Total - 2023	1,187	12,827	3,821	6,359	2,223	26,417

There were no netting agreements in place for balance sheet items as at the balance sheet date.

3 – Geographical Distribution

The tables below reflect the geographical distribution of selected items as at 31 December.

Assets

in € m.	European Union	Rest of Europe	North America	South America	Asia	Other countries	Total
Cash in hand, balances with central banks and post office banks	88	0	0	0	0	0	88
therein: balances with central banks	88	0	0	0	0	0	88
Loans and advances to credit institutions	14,424	156	11	0	9	5	14,605
Loans and advances to clients	10,643	4,531	2,055	55	1,076	784	19,144
Debt securities and other fixed-income securities	5	0	0	0	0	0	5
Total - 2024	25,160	4,687	2,066	55	1,085	789	33,842
Total - 2023	24,322	4,051	1,925	46	1,126	507	31,977

Liabilities

in € m.	European Union	Rest of Europe	North America	South America	Asia	Other countries	Total
Amounts owed to credit institutions	19,223	3,494	0	0	0	0	22,717
Amounts owed to clients	2,362	1,375	13	1	139	295	4,185
Total - 2024	21,585	4,869	13	1	139	295	26,902
Total - 2023	21,490	3,268	56	4	90	109	25,017

Off-Balance Sheet Items

in € m.	European Union	Rest of Europe	North America	South America	Asia	Other countries	Total
Contingent liabilities	5,921	822	83	0	1,371	467	8,664
Commitments	40,336	4,628	1,276	0	1,207	1,527	48,974
Fiduciary operations	631	842	633	0	2,736	372	5,213
Total - 2024	46,888	6,292	1,992	0	5,314	2,366	62,851
Total - 2023	43,573	10,808	797	5	2,538	1,401	59,122

Financial Transactions

in € m.	European Union	Rest of Europe	North America	South America	Asia	Other countries	Total
Interest rate transactions	1,793	0	0	0	0	0	1,793
Foreign exchange/gold transactions	81	556	0	0	406	0	1,043
Equity Transactions	652	240	0	0	35	10	937
Credit derivatives	0	3,208	0	0	0	0	3,208
Total - 2024	2,526	4,004	0	0	441	10	6,981
Total - 2023	1,275	4,433	0	0	332	0	6,040

4 – Securities

Securities were classified as at the balance sheet date as follows:

in € m.	2024	2023
Debt securities and other fixed-income securities (investment portfolio of financial fixed assets) - unlisted	5	5

No specific value adjustments had been made as at the balance sheet date (2023: €0).
All debt securities are unlisted and consist of securities purchased as part of structured transactions.

5 – Companies in which the Bank has a Participating Interest of 20% or more

Name of the company	Registered office	Holding	Equity capital* in € m.	Net income for the financial year* in € m.
DB Credit Investments S.à r.l.	Luxembourg	100%	0.8	14.3

* according to 31 December 2023 unaudited financial statements.

Shares in affiliated undertakings have reduced to €496k (2023: €553k) as the holding in VCJ Lease S.à r.l. has been liquidated in 2024.

In the case of individual investments of minor significance – i.e. investments in various companies belonging to Deutsche River Companies with registered offices in Luxembourg which have been completely written off in the past – no individual figures are presented in line with Article 68(2) of the law on the accounts of banks.

There are no participations in other credit institutions.

6 – Movements in Fixed Assets

in € k.	Gross value at beginning of financial year	Additions	Disposals	FX Revaluation	Gross value at end of financial year	Cumulative depreciation and value adjustments at end of financial year	Net value at end of financial year
Debt securities and other fixed-income securities*	4,703	0	0	315	5,018	0	5,018
Participating interests	19,801	0	0	0	19,801	19,801	0
Shares in affiliated undertakings	931	50	11	1	971	471	500
Intangible assets**	49,826	10,461	70	0	60,217	28,279	31,938
of which:							
software	49,826	10,461	70	0	60,217	28,279	31,938
Tangible assets	18,778	176	0	0	18,954	16,541	2,413
of which:							
office furniture and equipment	18,778	176	0	0	18,954	16,541	2,413
Total fixed assets	94,039	10,687	81	316	104,961	65,092	39,869

* Amounts reflect here are gross of any lump-sum provision allocations
** Amortisation of software will commence once the relevant items are brought into use.
Note: Due to rounding, numbers may not add up precisely to the totals provided.

7 – Amounts due from Deutsche Bank Companies and from Participating Interests

in € m.	31 Dec. 2024 Deutsche Bank companies	31 Dec. 2024 Participating interests	31 Dec. 2023 Deutsche Bank companies	31 Dec. 2023 Participating interests
Loans and advances to credit institutions	8,744	0	8,351	0
Loans and advances to clients	564	13	589	8
Debt securities and other fixed-income securities	5	0	5	0
Other assets	313	0	290	0

8 – Assets and Liabilities Denominated in Foreign Currencies

Assets denominated in foreign currencies amounted to the equivalent of €10,960m (2023: €8,940m) as at the balance sheet date. Liabilities denominated in foreign currencies amounted to the equivalent of €11,233m (2023: €9,030m) as at the balance sheet date.

9 – Other Assets/Other Liabilities

Other assets consist of the following:

in € k.	2024	2023
Related party receivables	312,872	289,670
Other receivables from clients	62,074	0
Fee receivables from clients	20,945	20,380
Margin receivables	14,033	13,936
Precious metals	5,749	4,837
Sundry receivables	2,913	3,192
Total	**418,586**	332,015

The increase in other assets is driven by other receivables from clients which are amounts related to transactions pending settlement at the reporting date and additionally an increase in related party receivables in the current year which are receivables from Deutsche Bank AG in connection with the provision of services consumed by the Bank under formally concluded transfer pricing agreements.

Other liabilities consist of the following:

in € k.	2024	2023
Related party payables	183,023	156,084
Payables for the account of third parties	34,303	42,823
Other payables to suppliers	24,643	18,540
Other payables to clients	21,293	27,759
Sundry payables	11,945	5,479
VAT payables	2,824	4,658
Total	**278,031**	255,343

The increase in other liabilities is mainly driven by an increase in related party payables in the current year; these are amounts settled against Deutsche Bank AG in connection with the provision of services consumed by the Bank under formally concluded transfer pricing agreements.

10 – Provisions for Liabilities and Charges – Other Provisions

Other provisions consist of the following:

in € k.	2024	2023
Lump-sum provision – off-balance sheet risks	238,414	203,994
Credit default swaps liability	57,466	70,032
Tax liability	38,953	14,122
Specific credit provisions relating to off-balance sheet positions	1,795	577
Other	5,267	7.347
Total	**341,895**	296,072

11 – Subordinated Assets and Liabilities

The subordinated loans and advances to credit institutions and clients amounted to €0m (2023: €0m) at the balance sheet date.

The Bank issued Undated Non-Cumulative Fixed to Reset Rate Additional Tier 1 Notes with a notional value of €500m on 29 April 2022. Deutsche Bank AG purchased the full issuance.

The notes bear interest at a fixed rate of 6.875% p.a. until 29 April 2027, when the Bank has the right to redeem the notes (partially or in full). Should the Bank choose not to exercise its right of redemption, interest will accrue at the 5-year swap rate (EURIBOR BASIS) plus a fixed spread. The notes qualify as Upper Tier I capital under bank supervisory regulations and are used to measure regulatory own funds. The notes shall be fully subordinated to the claims of other subordinated creditors of the Bank under certain defined resolution or winding-up actions. The notes have no equity conversion features.

The Bank entered into a subordinated Tier 2 loan agreement with Deutsche Bank AG as lender on 26 July 2023.

The loan has a notional value of €900m, a 10-year term to 28 July 2033 and bears interest at 3-month EURIBOR rate plus a margin of 429 basis points with an early termination option for the Bank after 5 years. The obligations resulting from the loan

agreement constitute unsecured and subordinated obligations of the Bank, ranking pari passu among themselves and, likewise with all other equally subordinated obligations of the Bank constituting own funds in the form of Tier 2 capital.
To appropriately take account of the fact that the Additional Tier 1 notes and the Tier 2 loan agreement are subordinated liabilities, the expenses from the regular payments are not reported under 'Net interest income', but rather as a separate item above 'Net income' in line with the true and fair view principle for the purpose of transparency and clarity.

12 – Subscribed Capital

As at the balance sheet date, the Bank's subscribed and fully paid-up capital was €3,959.5m, composed of 15,838,000 shares.

13 – Movements in Reserves and Profit Brought Forward

in € m.	Legal reserve	Other reserves	Profit/loss brought forward	Net income
As at 1 January 2023	**396**	**284**	**0**	**186**
Appropriation:				
– Retained		186	0	–186
– Dividend		–187		
Net income for financial year 2023				291
As at 31 December 2023	**396**	**283**	**0**	**291**
Appropriation:				
– Retained		291	0	–291
– Dividend		–292		
Net income for financial year 2024				277
As at 31 December 2024	**396**	**282**	**0**	**277**

The Bank distributed a dividend of €292m, (€267m from prior-year profit and €25m from available reserves) in accordance with a resolution adopted by the Annual General Meeting held on 15 April 2024.

The Bank fulfilled the requirement of the Luxembourg law on commercial companies to form a legal reserve of 10% of subscribed capital (€396m). Distribution of the legal reserve is not permitted.

The item 'Other reserves' includes an aggregate amount of €117m allocated specifically for the imputation of wealth tax in accordance with Article 8(a) of the Luxembourg wealth tax law and is deemed restricted from distribution.

14 – Amounts Owed to Deutsche Bank Companies and Participating Interests

		31 Dec. 2024		31 Dec. 2023
in € m.	Deutsche Bank companies	Participating interests	Deutsche Bank companies	Participating interests
Amounts owed to credit institutions	22,496	0	21,345	0
Amounts owed to clients	439	1	351	1
Subordinated liabilities	1,400	0	1,400	0
Other liabilities	183	0	156	0

15 – Contingent Liabilities

Contingent liabilities consist of:

		31 Dec. 2024		31 Dec. 2023
in € m.		of which: to Deutsche Bank companies		of which: to Deutsche Bank companies
Guarantees and other direct substitutes for credit	8,645	8,263	7,183	6,776
Other contingent Liabilities	18	0	18	0
Total	8,663	8,263	7,201	6,776

16 – Commitments

Commitments consist of:

in € m.	31 Dec. 2024	of which: to Deutsche Bank companies	31 Dec. 2023	of which: to Deutsche Bank companies
Commitments not utilised	48,974	221	45,978	53
Total	48,974	221	45,978	53

Future fixed rental payment obligation due by the bank in connection with the current lease agreement related to its business premises amounted to €10.6m as of 31 December 2024 (2023: €15.4m). Future fixed rental payment obligation due by the bank in connection with a lease agreement related to the Bank's future business premises in Findel amounted to €30.7 as of 31 December 2024 (2023: nil).

C. Notes to the Profit and Loss Account

1 – Administration and Agency Services

The Bank provided the following principal services for third parties in the past financial year: safe custody account administration, asset management, paying agent services, agency function and commercial representation.

2 – Commissions Receivable

This item comprises the following:

in € k.	2024	2023
Lending fees and commissions	86,602	80,643
Wealth Management fees	27,994	20,080
Custody fees	4,127	3,696
Fiduciary deposit fee	3,897	1,583
Other fees and commissions	955	2,297
Total	**123,575**	108,299

3 – Commissions Payable

This item comprises the following:

in € k.	2024	2023
Transfer pricing including payments for credit protection on participation in CLOs	156,928	128,598
Other commissions payable	3,393	2,727
Total	**160,321**	131,325

4 – Net Result from Financial Operations

The net result from financial operations primarily comprises premiums paid/received and valuation changes in respect of credit default swaps (hedging loans to customers carried at amortised cost) and the net foreign exchange result for the year. The net result for 2024 was a loss of €23.4m (2023: €49.4m). The improvement of €26.0m relative to the previous year was due to a decrease in costs incurred in respect of premiums paid/received and valuation changes in respect of credit default swaps of €30.3m and a net decrease in the net foreign exchange result of €4.3m.

5 – Other Operating Income

This item comprises the following:

in € k.	2024	2023
Transfer pricing compensation associated with relationship lending	236,602	236,153
Income from Inter-Company Services	10,678	16,950
Release of provisions	5,876	2,932
Rental income	2,117	1,852
Sundry income	222	8,791
Reimbursement taxes prior years	0	20,525
Total	**255,495**	287,203

6 – Other Operating Charges

Other operating charges primarily comprise contributions to FRL and FGDL. In 2024, the Bank no longer contributed to FRL (2023: €6.1m) as the maximum contribution capacity was reached.

7 – Depreciation of and Value Adjustments in Respect of Loans and Advances and Provisions for Contingent Liabilities and for Commitments

This item comprises the following:

in € k.	2024	2023
Specific credit risk provisions	221,459	124,784
Recoveries associated with participations in CLOs	−109,251	−63,564
Release of specific credit provisions	−27,548	−13,965
Increase/(decrease) in lump-sum provision	35,000	70,000
Total	**119,660**	117,255

8 – Value Adjustments in Respect of Securities Held as Financial Fixed Assets, Participating Interests, and Equities in Affiliated Undertakings

Value adjustments in respect of securities held as financial fixed assets, participating interests and equities in affiliated undertakings amounted to €105k for financial year 2024 (2023: €0).

9 – Taxes on Profit on Ordinary Activities

The Global Minimum Taxation Rules or Pillar 2 rules became applicable to the Bank starting in 2024, with Deutsche Bank AG as the ultimate parent. Deutsche Bank is required to determine the global minimum tax or Pillar 2 liability for group entities in close to 60 jurisdictions every year. Temporary relief from detailed Pillar 2 calculations, which is determined on a jurisdiction-by-jurisdiction basis, may be available under transitional safe harbour provisions. These safe harbour provisions, which are applicable in tax years 2024-2026, are based on Deutsche Bank's country-by-country reports filed annually with the German tax authorities and certain other financial data. Uncertainties remain regarding the application of the Pillar 2 rules, further legislative developments and interpretative guidance in many countries are expected over time, and implementation efforts are ongoing.

The Bank has estimated the potential impact on its financial position for 2024 on a best effort basis together with Deutsche Bank Group and has not recognised any Pillar 2 related current tax expenses for 2024.

The assessment considered a number of qualitative and quantitative factors applicable to 2024 including the following:
(1) the Statutory tax rate that applies to the Bank in Luxembourg for 2024 is 24.94%, which is significantly higher than the minimum tax rate of 15%; and (2) based on an analysis of the most recently available country-by-country data, Deutsche Bank is estimated to qualify for relief under the transitional safe harbour provisions in the Luxembourg jurisdiction.

10 – Auditor's Fees

Fees that were recognised as Other administrative expenses for services provided during the financial year to the Bank by Ernst & Young S.A. as Réviseur d'Entreprises agréé and as authorised Cabinet de révision agréé were as follows:

in € k. (excluding VAT):	2024	2023
Audit fees	762	711
Audit-related fees	46	83
Tax advisory fees	0	0
Other fees	0	0

11 – Return on Assets

in € k.	2024	2023
Profit for the financial year	277,451	290,918
Total assets	34,355,497	32,334,343
Return on assets	**0.81%**	0.90%

D. Risk Report

General Information

In terms of its organisational structure, processes and IT landscape, Deutsche Bank Luxembourg S.A. is integrated into the risk and capital management organisation and the finance structures of Deutsche Bank Group and its systems. The following statements describe the Group's standard definitions and principles in connection with risks. The importance of a strong focus on risk management and the ongoing need to refine risk management practice became particularly evident during the financial market crisis. In the 2024 financial year, the organisation of non-financial risks was further refined to ensure the Bank's operational effectiveness in view of the continued impact of multiple geopolitical conflicts and associated sanctions and the continued global inflationary pressures due to higher energy prices and supply chain disruptions, and protection against cyberattacks. While risk and capital management in the Group is continuously evolving and improving, there is no guarantee that all market developments can be fully anticipated at all times. This applies in particular to developments of an extreme nature, such as mounting geopolitical tensions due to the ongoing war in Ukraine and the conflict in the Middle East. An additional complicating factor is the trend towards fragmentation in global trading relations, which appears to be intensifying and could further drive up energy prices and freight costs in the short term.

Risk Management Principles

The Bank takes calculated risks in connection with its business activities and the following principles therefore underpin its risk management:

- Risk is taken within a defined risk appetite.
- Every risk taken needs to be approved within the risk management framework.
- Risk is continuously monitored.
- Risks need to be adequately compensated.
- A strong risk management culture helps to reinforce Deutsche Bank's operating resilience.

Risk Management Framework

Against the background of Deutsche Bank Luxembourg S.A.'s broadly diversified business activities, it is essential to identify, measure, aggregate and manage risks. The various risks must be backed with an adequate amount of equity capital. Deutsche Bank Luxembourg S.A. manages risks with the help of an overriding set of risk principles, organisational structures and processes to measure and monitor risk. These are closely aligned with the activities of the Group divisions:

- The Group's Management Board provides overall risk and capital management supervision.
- The risk management model is based on the 'three lines of defence' approach, whereby business management, risk management oversight and assurance roles are carried out by functions independent of one another.
- Risk strategy and risk appetite are defined based on the Group's strategic plans in order to align risk, capital, and performance targets.
- Reviews are conducted across the Group to verify that sound risk management practices and a holistic approach to all defined risks exist throughout the organisation and to help each business manage the balance between their risk appetite and reward.
- Credit risks, market risks, liquidity risks, non-financial risks, enterprise risks, climate and environmental risks, reputational risks and risk concentrations as well as capital requirements are managed in a coordinated process at all levels of the Bank.
- Where applicable, modelling and measurement approaches for quantifying risk and the associated capital demand are implemented across the major risk categories.
- Effective systems, processes and policies constitute critical components of the Bank's risk management approach.

Risk and capital management activities are supported by Treasury, Finance and Internal Audit. The role of both Treasury and Finance is to help quantify the risks assumed and to ensure the quality and integrity of the risk-related data they provide. Internal Audit performs risk-oriented reviews of the design and operational effectiveness of the system of internal controls.

Credit Risk Management (CRM) and Risk Management support the Chief Risk Officer (CRO) at Management Board level to aggregate the types of risk arising from the business model of Deutsche Bank Luxembourg S.A. into an overall risk profile, to regularly monitor whether risks are within the defined risk appetite and to report to both the Management Board and the Supervisory Board.

Types of Risk

The most important risks to which Deutsche Bank Luxembourg S.A.'s business model is exposed are specific banking risks, risks arising from its general business activities and reputational risks.

Specific Banking Risks

Within the Bank's risk management processes, a distinction is made between four kinds of specific banking risk: credit risk, market risk, liquidity risk and operational risk as the most important form of non-financial risk.

- Credit risk arises from all transactions where actual, contingent, or potential claims against any counterparty, borrower, obligor or issuer (referred to collectively as 'counterparties') exist including those claims that the Bank plans to distribute. It captures the risk of loss because of a deterioration of a counterparty´s creditworthiness or the failure of a counterparty to meet the terms of any contract with the Bank or otherwise perform as agreed. A distinction is made between four types of credit risk:
  - Default and migration risk is the risk that a counterparty defaults on its payment obligations or experiences material credit quality deterioration, increasing the likelihood of a default.
  - Transaction/settlement risk (exposure risk) is the risk that arises from any existing, contingent or potential future positive exposure.
  - Mitigation risk is the risk of higher losses due to risk mitigation measures not performing as anticipated.
  - Concentration risk is the risk of an adverse development in a specific single counterparty, country, industry or product leading to a disproportionate deterioration in the risk profile of Deutsche Bank's credit exposures to that counterparty, country, industry or product.
- Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, equity prices, exchange rates and commodities prices) as well as in the correlations among them and their levels of volatility.
- Liquidity risk is the risk of being unable to meet payment obligations when they fall due, or only being able to do so at an excessive cost.
- Operational risk is the potential for incurring losses in connection with staff, contractual specifications and their documentation, technology, infrastructure failure or collapse, projects, external influences, and client relationships. This definition includes legal and regulatory risks but not general business risk or reputational risk.

Enterprise Risk

Deutsche Bank introduced enterprise risk as a standalone level 1 risk type in 2021, and defines it as the risk of potential losses or adverse consequences from strategic risk, insufficient capital, step-in risk or becoming unduly exposed to portfolio concentrations at enterprise level.

The Bank considers enterprise risk an amalgamation of several distinct types of risk, typically of cross-risk nature, some of which represent newly emerging areas of risk management for which policies and frameworks as well as regulatory requirements are yet to be developed and specified. A distinction is made between the following risk types:

- Strategic risk is the risk of a shortfall in planned earnings (excluding other material risks) due to incorrect business plans, ineffective plan execution and/or the inability to effectively respond to material deviations.
- Capital risk is the risk that Deutsche Bank has an insufficient level or composition of capital supply to support its current and planned business activities and associated risks during normal and stressed conditions.
- Portfolio concentration risk arises from cross-risk exposure concentrations including on a country, industry, or asset class basis.

Reputational Risk

As regards the Bank's risk management processes, reputational risk is defined as the risk of possible harm to Deutsche Bank's brand and reputation, and the associated risk to earnings, capital or liquidity arising from any association, action or inaction that could be perceived by stakeholders to be inappropriate, unethical or inconsistent with DB's values and beliefs.

Concentration Risk

Risk concentrations refer to a bank's loss potential through unbalanced distribution of dependencies on specific risk drivers. Risk concentrations are not an isolated risk type; rather, they are integrated into the management of credit risk, market risk, liquidity risk and operational risk. Risk concentrations are encountered within and across counterparties, regions/countries, industries and products, impacting the above-mentioned risks. Risk concentrations are managed, for instance, by entering into offsetting or risk-reducing transactions. Management of risk concentration across risk types involves expert panels, qualitative assessments, quantitative instruments (such as economic capital and stress testing) and comprehensive reporting.

Climate and Environmental Risk

In recent years, Deutsche Bank has made further progress in integrating climate-related and environmental (C&E) risks into its overall risk management framework at Group level and has also updated its materiality assessment of C&E risks and developed stress modelling capabilities at Group level. In line with the ECB guides, institutions are expected to assess the impact of material C&E risks on their ICAAP. Deutsche Bank integrates C&E risks into its ICAAP based on the following components:

- Regular identification of material C&E risk drivers for existing risk types over different time horizons

- Coverage of material C&E risk drivers in baseline capital demand

- Evaluation of stress resilience and stress buffers in risk appetite through climate-related scenarios and stress tests

Climate and environmental risk drivers can be broadly separated into four categories: Transition risk, Physical risk, Nature risk and Liability risk. Each can act as a risk driver for multiple risk types.

Transition risk drivers are defined as climate-related mitigation policies that could lead to reductions in financial valuations, downgrades in ratings for companies affected by such policies, increased competitiveness, shifts in public sentiment and demands, and foregone revenues.

Physical risk drivers are weather-related events such as storms, floods, fires, and heatwaves with the potential to damage production facilities and disrupt value chains. They also include longer-term changes in the climate, such as temperature changes, rising sea levels, reduced water availability, and others.

Nature risk drivers are defined as nature-related transition/physical impacts that could result from waste, water depletion, biodiversity & habitat loss, and marine degradation.

Liability risk drivers are linked to potential climate- or nature-related legal actions against the Bank. Lawsuits could relate to greenwashing, a perceived lack of climate action or the degradation of nature for example.

Credit Risk

The measurement and management of credit risk are based on the following principles at Deutsche Bank Group:

- The Bank's credit risk management function is independent from the business divisions, and credit-decision standards, processes and principles are consistently applied in each of the business divisions.
- The key principle of credit risk management is client due diligence. Client selection is performed in collaboration with partners from the business divisions, who stand as a first line of defence.
- The Bank aims to prevent undue concentrations and minimize earnings volatility and tail capital risks by ensuring that it maintains a diversified credit portfolio, effectively protecting DB Group´s capital in all market conditions. Client-, industry-, country- and product-specific concentrations are assessed and managed to adhere to the defined risk appetite of the Bank.
- The Bank applies stringent underwriting standards to avoid large directional credit risk at counterparty and portfolio level. In this respect, it has an approach regarding unsecured cash positions and actively uses hedging for risk mitigation.
- Additionally, it strives to secure its derivative portfolio through adequate collateral agreements, and in individual cases, additionally hedges concentration risks to further mitigate credit risks from underlying market movements.

- Every extension of a new credit facility or material change to an existing credit facility (such as its tenor, collateral structure, or major covenants) with any counterparty requires credit approval at the appropriate authority level. Credit approval authority is assigned to individuals according to their qualifications, experience, and training. These credit authorities are periodically reviewed.
- The Bank measures its total credit exposure to a borrower and sums it across the Group on a consolidated basis, in line with regulatory requirements.
- The Bank manages credit exposures on the basis of borrower units, with all the facilities of borrowers that are linked to each other consolidated together under one group.
- Within Credit Risk Management, the Bank has established, where appropriate, specialist teams responsible for determining internal credit ratings, analysing and approving transactions, monitoring portfolios or covering workout clients.

Stress test scenarios for Deutsche Bank Luxembourg S.A.'s credit portfolio are simulated and evaluated for the Bank at the level of Deutsche Bank Group and have been and will be further enhanced in order to even better incorporate climate and environmental risks. The subject of the analysis is primarily the existence of a suitable economic capital base relative to the existing credit risks. To this end, the Bank performed the analysis using two adverse heatmap scenarios, namely an 'EU led hard landing' scenario and an "upside rates & inflation shock" scenario. In addition, an analysis of the effects of rating migrations (using a rating migrations matrix) on risk-weighted assets is performed based on the local regulatory capital requirements for credit risk. The stress test is conducted quarterly. The results of the above-mentioned analyses are acknowledged by the Asset & Liability Committee (ALCo) and approved by the Management Board and the Supervisory Board as part of the Internal Capital Adequacy Assessment Process (ICAAP) reporting.

Credit Risk Ratings

Credit ratings are an essential part of DB Group's credit process and form the basis for maximum credit limit determination on a Borrower level and adequate pricing of the transaction and credit decision.

Deutsche Bank Group applies in-house assessment methodologies, scorecards, and a 21-grade rating scale to evaluate the creditworthiness of all counterparties. The majority of the rating methodologies are authorised for use within the "Advanced Internal Rating Based Approach" under CRR rules. The rating scale facilitates a comparison of internal ratings with common market practice and also ensures the comparability of the Bank's different sub-portfolios. The Group generally rates all its credit exposures individually, though certain portfolios of securitised receivables are rated on a pool level. The algorithms of the rating procedures are recalibrated frequently based on the default history as well as other external and internal factors and judgements.

Lending

Deutsche Bank Luxembourg S.A. operates on a large scale as a centre of excellence and lending institution, working in concert with other European offices of Deutsche Bank Group. The Strategic Corporate Lending (SCL) business segment, as part of the Corporate Bank division in Luxembourg, is one of Deutsche Bank Group's three significant central risk hubs, mandated directly by the Group Management Board to centralise and manage credit risk from selected lending activities. The Bank has both a direct and an indirect (via the execution of internal risk transfer agreements effected through the issuance of guarantees or CDSs to fellow DB lending institutions) role in the relationship lending activities of Deutsche Bank Group. In both cases, the risks are first assessed by the respective branches in accordance with Group standards and guidelines. Deutsche Bank Luxembourg S.A. extends these loans after a further review on the basis of its own credit guidelines agreed within the Group and assumes the risk. Own and assumed credit risk (guarantees and CDSs issued) is thus aggregated in the Bank and then hedged within defined risk appetite parameters through (primarily) the execution of credit default swaps or participation in collateralised loan obligation structures with fellow Deutsche Bank entities.

The Bank additionally performs a number of administrative functions relating to the Group's SCL risk centralisation structure that seeks to remunerate loan-booking entities within the Group (including Deutsche Bank Luxembourg S.A.) for below-market rate relationship lending activities on behalf of fellow Deutsche Bank Group entities who benefit from such relationship lending. Legal entity loan income shortfalls are topped up to equal a market return on their gross credit risk through the execution of a 'spread swap' agreement concluded between the booking and benefitting entities.

Moreover, Deutsche Bank Luxembourg S.A. regularly reviews creditworthiness in respect of its credit risks on the basis of up-to-date information largely obtained from Deutsche Bank Group's Credit Risk Management. At regular meetings, the Management Board and, if necessary, the Risk Management function inform the Supervisory Board about current developments regarding specific risks and the credit portfolio risk, also with reference to specific industry and/or country risks.

Of the total SCL loan portfolio, 88% (2023: 87%) as at the balance sheet date was attributable to investment-grade borrowers (rating iBBB- and above).

Distribution of Credit Risk

The following tables provide an overview of credit exposure under the respective balance sheet item or off-balance sheet item by counterparty industry (based on an economic sector code of counterparties as reported to the BCL and the CSSF) as well as by issuer and rating category. The amount of loan exposures was calculated without consideration of collateral and is presented gross of lump-sum provision allocation and net of related specific credit risk provisions.

Structure of Credit Profile by Rating Category as at 31 December 2024

in € m.	Loans and advances to credit institutions	Loans and advances to clients	Securities/ participating interests/ affiliated undertakings	Contingent liabilities	Commitments	Total
AAA/AA	5,815	1,460	0	1,081	7,444	15,800
A	8,773	3,991	0	3,788	15,699	32,251
BBB	0	7,239	0	2,848	22,413	32,500
BB	17	4,399	0	921	3,155	8,492
B	0	796	0	0	242	1,038
CCC	0	35	0	0	5	40
Default	0	1,224	0	6	16	1,246
NR*	0	0	5	20	0	25
Total	14,605	19,144	5	8,664	48,974	91,392

* not rated = unrated clients

Structure of Credit Profile by Industry as at 31 December 2024

in € m.	Loans and advances to credit institutions	Loans and advances to clients	Securities/ participating interests/ affiliated undertakings	Contingent liabilities	Commitments	Total
Banks and insurance companies	14,605	0	0	107	333	15,045
Other financial companies	0	8,407	0	2,122	10,238	20,767
Corporate services	0	2,904	0	2,383	11,772	17,059
Manufacturing	0	2,345	0	1,839	11,478	15,662
Commercial real estate	0	2,643	0	75	2,003	4,721
Transport and telecommunications	0	308	0	747	3,431	4,486
Automotive industry	0	84	0	115	2,661	2,860
Wholesale and retail trade	0	730	0	842	1,553	3,125
Mining	0	140	0	20	2,279	2,439
Power and water utilities	0	89	0	60	1,685	1,834
Power generation (in particular solar power)	0	273	0	294	616	1,183
Households	0	862	0	5	130	997
Construction	0	95	0	36	477	608
Hotel/restaurant trade, leisure industry, gaming, and gambling industry	0	48	0	0	192	240
Public sector	0	0	0	0	104	104
Other	0	216	5	19	22	262
Total	14,605	19,144	5	8,664	48,974	91,392

Risk Provisioning

Adequate provision has been made for individual risks. Deutsche Bank Luxembourg S.A. also uses the possibility of setting up a lump-sum provision in accordance with Luxembourg regulations. During the current financial year, the Bank elected to increase the lump-sum provision by an amount of €35m to further strengthen the Bank's reserves reflecting the prudent assessment of continued economic uncertainties into 2024 and beyond. Multiple geopolitical conflicts such as the ongoing war in the Ukraine and the conflict in the Middle East did not have a specific material impact on the credit provision.

There were only minor country risks as at the balance sheet date. The Bank does not hold any bonds issued or guaranteed by Russia or Ukraine.

The synthetic risk assumed from the SCL credit risk portfolio (via the guarantees issued and credit default swaps) was quantified at €8.26bn as at 31 December 2024 (2023: €6.78bn). The risk management of the underlying or hedging transactions entered into by the Bank in the course of these business activities is, in respect of the material value-determining risk factors, conducted uniformly at a central office of Deutsche Bank Group, considering certain risk tolerance, and hedging parameters defined by Deutsche Bank Luxembourg S.A. in cooperation with Deutsche Bank AG's global Credit Risk Management unit.

Market Risk

Owing to its business orientation, Deutsche Bank Luxembourg S.A. has the regulatory status of a non-trading book institution in Luxembourg.

The market risks resulting from asset/liability management, in the form of interest rate, currency, and liquidity risks, are managed by the Treasury/Pool Management division. Other types of material market risk (for example, commodity price risks) do not exist except the credit spread risk mainly driven by the hedging activities via CDS related to the SCL loan portfolio. Treasury and the back-office units operate on the basis of local, internal guidelines in conformity with the applicable Deutsche Bank Group Standards, Deutsche Bank Luxembourg S.A. is integrated into Deutsche Bank Group's global limit system. Risks are calculated and monitored on an ongoing basis through neutral risk controlling using the Group's risk measurement programmes and hence its risk models.

Financial Transactions

The Bank's derivative financial transactions consist exclusively of contracts forming part of the non-trading portfolio and are concluded within DB Group. The following tables disclose the notional volume by remaining maturity, and the market values of derivative transactions. At the end of the year, there were no exchange-traded financial transactions. In principle, the SCL credit risk portfolio agreements permit netting. Where the Bank could assume that legally enforceable netting agreements were in place, corresponding effects were considered in the analysis of financial transactions below. Apart from this, there are no further netting agreements in derivative financial transactions.

Analysis of Derivative Financial Transactions as at 31 December 2024

in € m. Classes of financial transaction	Up to 1 year	1 year to 5 years	More than 5 years	Total	Positive market value	Negative market value	Net value
Interest rate transactions	1,427	366	0	1,793	1	0	1
Interest rate swaps	1,427	366	0	1,793	1	0	1
Foreign exchange/gold transactions	1,043	0	0	1,043	5	5	0
Futures contracts with clients	170	0	0	170	1	2	–1
Futures contracts with banks	169	0	0	169	2	1	1
Options	704	0	0	704	2	2	0
Equity Options	925	12	0	937	21	21	0
Credit derivatives	1,111	2,097	0	3,208	5	64	–59
Total	4,506	2,475	0	6,981	32	90	–58

Analysis of Derivative Financial Transactions as at 31 December 2023

in € m. Classes of financial transaction	Up to 1 year	1 year to 5 years	More than 5 years	Total	Positive market value	Negative market value	Net value
Interest rate transactions	1,149	0	0	1,149	1	1	0
Interest rate swaps	1,149	0	0	1,149	1	1	0
Foreign exchange/gold transactions	877	1	0	878	9	9	0
Futures contracts with clients	95	0	0	95	0	1	–1
Futures contracts with banks	94	0	0	94	1	0	1
Options	688	0	0	688	8	8	0
Equity Options	0	68	0	68	0	0	0
Credit derivatives*	1,323	2,622	0	3,945	1	82	–81
Total	3,349	2,691	0	6,040	11	92	–81

* Includes total return swaps
Note: Due to rounding, numbers may not add up precisely to the totals provided.

Value-at-Risk and Interest Rate Risk in the Banking Book

To measure and manage market risks, the Bank uses the value-at-risk model, developed and maintained by the Group and approved by the German banking authority. The value-at-risk approach is used to derive a quantitative measure for market risks in the trading book under normal market conditions. For a given portfolio, value-at-risk measures the possible future loss (in terms of market value) that, under normal market conditions, will not be exceeded with a defined probability in a certain period. Value-at-risk (VaR) enables a constant and uniform risk measure to be applied to all trading/financial transactions and products. It also allows market risk assessments over time to be compared with the actual daily results from the above-mentioned transactions.

Both for internal and external reporting purposes, value-at-risk is calculated in accordance with the regulations of the Bank for International Settlements (BIS) with a confidence level of 99%. For internal reporting purposes, a holding period of one trading day is used. For regulatory reporting purposes, the holding period is ten days.

As at the end of 2024, the value-at-risk from interest rate and currency risks in the non-trading book was €1.44m. The average value for 2024 was €1.28m.

The Bank has an Interest Rate Risk in the Banking Book (IRRBB) framework in place that focuses on the Bank´s capital and earning stability under stressed market scenarios. The IRRBB framework, with a focus on monitoring delta Economic Value of Equity (ΔEVE) and delta Net Interest Income (ΔNII), was embedded into the Bank's Risk Limit Framework and the Risk Appetite Statement of the Bank. The Bank continues to monitor VaR, but it has been decoupled from the Bank's Risk Appetite Statement.

As at the end of 2024, the ΔEVE was €-23m and thus below the allocated threshold of €-50m; the ΔNII was €-101m and thus below the allocated threshold of €-170m. The ΔNII+ Mark-to-Market (MTM) was €-93m as at the end of 2024.

In 2024, the Bank has introduced a new metric, CS01, for measuring the Credit Spread Risk in the Banking Book (CSRBB). The CS01 was €-0.6m as at the end of 2024.

In the foreign exchange business, only relatively small positions in foreign currency arise from fractional amounts in futures contracts and from balances arising out of the Bank's net interest and commission income in foreign currencies. These positions are closed regularly.

Liquidity Risk

The principal objective of liquidity management is to guarantee the Bank's solvency at all times. The Treasury function manages this task in Luxembourg and is involved in Group-wide liquidity management. Treasury and the Risk Management Function receive relevant data on a daily basis and report to the Bank's Management Board at least on a monthly basis.

All local data relevant to the Group is made available to the Group's global Risk Management Function for overall objectives.

Liquidity Coverage Ratio (LCR)

The LCR is a key limit that is intended to promote 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 that could be used to raise liquidity in a stress scenario, measured against the total volume of net cash outflows arising from both contractual and prescribed modelled exposures over a 30-day time horizon on a consolidated basis.

By maintaining a ratio in excess of the minimum regulatory requirements, the LCR seeks to ensure that the Bank holds adequate liquidity resources to mitigate short-term liquidity stress.

During the year as well as at the balance sheet date, the Bank's LCR ratio was well above the minimum requirement of 100%.

Net Stable Funding Ratio (NSFR)

The Net Stable Funding Ratio is a regulatory metric for assessing a bank's structural funding profile. The NSFR is intended to reduce medium to long-term funding risks by requiring banks to maintain a stable funding profile in relation to their on- and off-balance sheet activities. The ratio is defined as the amount of Available Stable Funding (the portion of capital and liabilities expected to be a stable source of funding), relative to the amount of Required Stable Funding (a function of the liquidity characteristics of various assets held).

The Bank's NSFR ratio was well above the minimum requirement of 100% throughout the year as well as at the balance sheet date.

Operational Risk

As a category of non-financial risk, operational risk is managed based on a Group-wide framework that makes it possible to determine the operational risk profile in comparison to risk appetite and systematically identify operational risk themes and concentrations in order to define risk-mitigating measures and priorities. The business divisions and infrastructure functions have primary responsibility for the management of operational risk.

Instruments are in place for the self-assessment of operational risk and for recording and monitoring qualitative and quantitative risk indicators.

Losses and gains due to operational risks are captured through the Group-wide Event Management Application (EMApp), which is monitored at the Bank by the Risk Management function. Besides losses actually incurred due to defective processing, the system also covers reported provisions for operational risks. Reports from the database provide insight into the success of risk management and the quality of the selected risk indicators.

Regulatory Risk Position

As a non-trading book institution, the Bank continues to apply the standardised approaches when determining its regulatory risk position.

In the context of the regulations on calculating and limiting large exposures, Luxembourg's financial regulator, the CSSF (Commission de Surveillance du Secteur Financier), consented to the Bank's request to exempt companies belonging to Deutsche Bank Group from the requirement to take such risks into account. This approval was granted in accordance with CSSF Circular 06/273, Part XVI, No. 24 (revised version).

At all times during the financial year, the Bank ensured compliance with both its internal and external key regulatory risk requirements as required under CRD IV (refer to the Management Report for further disclosures in this regard).

E. Other Information

Deposit Guarantee Scheme

On 18 December 2015, Luxembourg adopted the law on resolution, recovery and liquidation measures of credit institutions and investment firms, on deposit guarantee schemes and on investor compensation schemes ('the Law'), which transposes into Luxembourg law EU Directive 2014/59/EU, establishing a framework for the recovery and resolution of credit institutions and investment firms, and EU Directive 2014/49/EU on deposit guarantee and investor compensation schemes.

Luxembourg has a contribution-based system of deposit guarantee and investor compensation in which the Bank participates. The system protects a client's deposits up to an amount of €100k and investments up to an amount of €20k. The Law also provides for the protection of deposits in excess of €100k for a 12-month period where these deposits result from certain transactions or serve certain social or other purposes.

In accordance with Article 107(1) of the Law, the target amount to be held in the Luxembourg Resolution Fund ('Fonds de résolution Luxembourg' (FRL)) should reach at least 1% of the guaranteed deposits of all credit institutions in all participating Member States by 31 December 2024. This amount was collected from the credit institutions through annual contributions in the financial years from 2015 to 2023 and has been achieved, a further assessment was made in February 2024 to confirm that no further contributions should be collected in 2024.

The target amount to be held in the Luxembourg Deposit Guarantee Fund ('Fonds de garantie des dépôts Luxembourg' (FGDL)) is 0.8% of the covered deposits, as defined in Article 163(8) of the Law of the relevant credit institutions, to have been reached by the end of 2018. Contributions were paid annually from 2016 to 2018. After achieving the initial 0.8%, Luxembourg credit institutions are required to make further contributions over the following eight years in order to build up an additional safety buffer of 0.8% of covered deposits, as defined in Article 163(8) of the Law.

A payment of €7k was made to the FGDL.

Staff

Number of Staff

	31 Dec. 2024	Average in 2024	31 Dec. 2023
Management Board	3	3	3
Executives	26	27	29
Employees	295	306	316
Total	**324**	336	348

In 2024, the total remuneration of the Management Board and senior executives (Managing Director, Directors) was €8,105k (2023: €8,901k). The allocation to pension provisions for members of the Management Board and senior executives was €458k (2023: €394k). The Supervisory Board received a total remuneration of €33k (2023: €0) from the Bank.

The expense for pension obligations for former members of the Management Board amounted to €234k.

As at 31 December 2024, loans, advances and other commitments to members of the Supervisory Board, Management Board and senior executives totalled €0 (2023: €0).

Luxembourg, 27 March 2025

The Management Board

4

Attestations

Independent Auditor's Report

To the Management Board of Deutsche Bank Luxembourg S.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Deutsche Bank Luxembourg S.A. (the "Bank"), which comprise the balance sheet as at 31 December 2024, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Value adjustments on loans granted to customers and provisions for commitments

Description

As of 31 December 2024, the Bank reports loans and advances to customers of EUR 18,996 million. This caption mainly includes loans to corporate customers and institutional clients, structured loans to private clients and lombard loans. Related commitments amount to EUR 48,974 million as of 31 December 2024.

The identification of an impairment event and the determination of specific valuation allowances involve significant estimation uncertainty and discretion in respect of the borrower's financial position and performance, as well as from the valuation of collateral and the amount and timing of expected future cashflows.

For this reason, we identified the determination of impairment on loans to corporate customers and institutional clients and the related provisions for commitments as a key audit matter.

Refer to the description of the accounting policies in the notes to the annual financial statements concerning "Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments" and the notes to the income statement (Note C7) as well as the explanations in the risk report and management report.

How the matter was addressed in our audit

During our audit we obtained an understanding of the processes implemented by the Bank over the credit cycle, with a focus on the identification and quantification of value adjustments.

Our audit procedures relating to the Bank's internal control system focused on key controls within the framework of the credit approval and credit monitoring process, as well as the identification of doubtful and irrecoverable debts and the determination of the necessary value adjustment requirements, which were tested for their design and implementation as well as their operating effectiveness. This included processes and controls outsourced to other entities of Deutsche Bank group.

In addition, we adopted a risk-based sampling approach to determine a sample of loans and commitments. To determine this sample, we focused on the exposure amount, internal credit rating and whether exposures were included on the Bank's watchlist. For this sample, we verified whether impairment events were recognised in a timely and appropriate manner.

For value adjustments determined by the Bank, we verified as to whether the estimates regarding the amount and timing of future cashflows from the borrower and the collateral were appropriate.

Other information

The Management Board is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and of those charged with governance for the financial statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Board is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.

— Conclude on the appropriateness of Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Bank to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the General Meeting of the Shareholders on 15 April 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is five years.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Bank in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Dorian Rigaud   Alexander Kastendeuch

Luxembourg, 27 March 2025

Report of the Supervisory Board

The Supervisory Board reviewed the annual report of Deutsche Bank Luxembourg S.A. for the 2024 financial year. The Supervisory Board also acknowledged the positive conclusions reached by the Audit Committee. On that basis, the Supervisory Board has no further comments on the financial statements presented.

At today's meeting, the Supervisory Board approved the annual accounts prepared by the Management Board, which are thereby adopted.

Net income for the 2024 financial year amounted to €277.5m.

Of the net income for the year, the Supervisory Board proposes to the General Meeting that a dividend of €253,8m be paid and an amount of €23,7m be allocated to 'Other reserves'. In addition, the Supervisory Board proposes to the General Meeting that a dividend of €23,2m be paid from retained earnings.

Luxembourg, 27 March 2025

Rüdiger Bronn
Chairman of the Supervisory Board

Registered Office

Architect: Professor Gottfried Böhm, Pritzker Prize winner
Photo: Professor Dieter Leistner

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