Deutsche Bank AG, Dubai Branch

Quarterly Pillar 3 Report

June 30, 2025

Table of Contents

Overview

The following information is compiled in terms of the requirements of the Central Bank of the UAE as per Notice No. CBUAE/BSD/N/2020/66 dated 6 January 2020. This notice requires bank to implement the "Standards for Capital Adequacy of Banks in the UAE, December 2020".

Banks are obliged to report certain qualitative and quantitative information with regards to their risk profile and capital adequacy on a regular basis to the public, which incorporates the revised Basel III Pillar 3 requirements on market discipline.

Reporting framework

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

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

Period of reporting

This report is in respect of the quarter ended 30 June 2025, including comparative information (where applicable).

Group Disclosures

The Group employs a centralized approach to risk management. As such, DB AG Dubai Branch's approach to risk management follows group policies and procedures as a minimum standard. Where local requirements differ from group's, a local policy/procedure is formulated and adopted. This report should thus be read in conjunction with the group's Management Report, Annual Report and Pillar 3 disclosures.

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Key Metrics (KM1)

		Jun-25	Mar-25	Dec-24	Sep-24	Jun-24
		AED'000	AED'000	AED'000	AED'000	AED'000
	Aggregate Capital Funds					
1	Paid up capital	434,100	434,100	434,100	434,100	434,100
2	Share Premium	-	-	-	-	-
3	Reserves, excluding revalution reserve	14,041	41,999	41,999	26,548	26,548
4	**Retained earnings/ (-) Loss**					
4a	Accumulated retained earnings / (-)	70,685	70,685	70,685	48,808	48,808
4b	Audited / Reviewed Current year profit / (-) current financial year loss					
4c	Proposed Dividend	-	-	-	-	-
	Less:					
5	Goodwill and other intangibles (including mortgage servicing rights)	(289)	(317)	(345)	(373)	(401)
6	**Total Assets excluding cash collaterals and sovereign guarantees**					
6a	Total Assets	2,385,321	2,061,436	1,977,745	1,704,560	1,696,429
6b	Cash collaterals (legally enforceable)	-	-	-	-	-
6c	Sovereign Guarantees (legally enforceable)	-	-	-	-	-
	ELAR					
7	Total HQLA	891,892	1,002,922	1,036,458	950,784	873,225
8	Total liabilities	1,812,329	1,504,388	1,431,316	1,160,960	1,079,978
9	Eligible Liquid Assets Ratio (ELAR) (%)	49.21%	66.67%	72.41%	81.90%	80.86%
	ASRR					
10	Total available stable funding	1,612,462	1,579,950	1,589,245	1,434,288	1,373,270
11	Total Advances	548,288	563,667	657,063	576,305	433,198
12	Advances to Stable Resources Ratio (%)	34.00%	35.68%	41.34%	40.18%	31.54%

Composition of Capital

Capital Management Process

Detailed Capital Management and Planning process for the Branch is listed under ICAAP report for the Branch. Branch's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position are:

- To comply with the capital requirements set by the Central Bank of UAE,
- To safeguard the Branch's ability to continue as a going concern and increase the returns for parent (shareholders),
- To maintain a strong capital base to support the development of its business.

The Branch's Regulatory Capital is composed of following two tiers:

1. Tier 1 capital, which includes Share capital (Dotation Capital), Reserves, retained earnings and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy calculation purposes.
2. Tier 2 capital, which includes collective impairment allowance and fair value reserves relating to unrealized gains/losses on investments classified as available for sale.

Table: Composition of Capital CC1

		AED '000
	Common Equity Tier 1 capital: instruments and reserves	
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	
2	Retained earnings	70,685
3	Accumulated other comprehensive income (and other reserves)	14,041
5	Common share capital issued by third parties (amount allowed in group CET1)	434,100
6	**Common Equity Tier 1 capital before regulatory deductions**	**518,826**
	Common Equity Tier 1 capital regulatory adjustments	
7	Prudent valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	(289)
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	**Total regulatory adjustments to Common Equity Tier 1**	(289)
29	**Common Equity Tier 1 capital (CET1)**	**518,537**
43	Total regulatory adjustments to additional Tier 1 capital	-
44	**Additional Tier 1 capital (AT1)**	**-**
45	**Tier 1 capital (T1= CET1 + AT1)**	**518,537**
	Tier 2 capital: instruments and provisions	
50	Provisions	30,986
51	**Tier 2 capital before regulatory adjustments**	30,986
	Tier 2 capital: regulatory adjustments	
57	**Total regulatory adjustments to Tier 2 capital**	-
58	**Tier 2 capital (T2)**	**30,986**
59	**Total regulatory capital (TC = T1 + T2)**	**549,523**
60	**Total risk-weighted assets**	**2,636,188**
	Capital ratios and buffers	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	19.67%
62	**Tier 1 (as a percentage of risk-weighted assets)**	19.67%
63	**Total capital (as a percentage of risk-weighted assets)**	20.85%
68	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	9.17%

Table: Composition of Capital CC2

AED '000	a	b
Jun-25	Balance sheet as in published financial statements	Under regulatory scope of consolidation
Assets		
Cash and balances at central banks	891,892	891,892
Items in the course of collection from other banks		-
Trading portfolio assets		-
Financial assets designated at fair value		-
Derivative financial instruments	-	-
Loans and advances to banks	962,271	962,271
Loans and advances to customers	148,395	148,395
Reverse repurchase agreements and other similar secured lending		-
Available for sale financial investments		-
Current and deferred tax assets		-
Prepayments, accrued income and other assets	381,889	381,889
Investments in associates and joint ventures		-
Goodwill and other intangible assets	289	289
Of which: goodwill		-
Of which: intangibles (excluding MSRs)	289	289
Of which: MSRs		-
Property, plant and equipment	585	585
Total assets	2,385,321	2,385,321
Liabilities		
Deposits from banks	-	-
Items in the course of collection due to other banks		-
Customer accounts	1,223,934	1,223,934
Financial liabilities designated at fair value		-
Derivative financial instruments		-
Debt securities in issue		-
Accruals, deferred income and other liabilities	547,933	547,933
Current and deferred tax liabilities	37,179	37,179
Provisions	33,980	33,980
Retirement benefit liabilities	3,283	3,283
Total liabilities	1,846,309	1,846,309
Shareholders' equity		
Paid-in share capital	434,100	434,100
Of which: amount eligible for CET1	434,100	434,100
Of which: amount eligible for AT1		-
Retained earnings	62,913	62,913
Accumulated other comprehensive income (and other reserves)	41,999	41,999
Total shareholders' equity	539,012	539,012

Liquidity

Eligible Liquid Assets Ratio (ELAR)

Eligible Liquid Assets Ratio is a measure to ensure banks hold minimum buffers of liquid assets. The ratio requires the bank to hold an amount equivalent to 10% of its total balance sheet liabilities (excluding those included in regulatory capital) in high quality liquid assets.

As of Jun 30, 2025, Branch's ELAR is 80.86% which is more than the required minimum of 10%.

		30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
		Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
1	**High Quality Liquid Assets**	**Eligible Liquid Asset**	**Eligible Liquid Asset**	**Eligible Liquid Asset**	**Eligible Liquid Asset**	**Eligible Liquid Asset**
1.1	Physical cash in hand at the bank	0	0	0	0	0
1.2	Statutory reserves with Central Bank	191,892	172,922	186,458	150,784	198,225
1.3	Free and other account balances at the Central Bank (excluding statutory reserves)	700,000	830,000	850,000	800,000	675,000
1.4	Central Bank CDs (unencumbered)					
1.5	UAE Federal Government Bonds and Sukuks					
	Sub Total (1.1 to 1.5)	891,892	1,002,922	1,036,458	950,784	873,225
1.6	UAE local governments publicly traded debt securities (0% Risk Weighted under BII Standardized Approach) Rated A+ and above	0	0	0	0	0
1.7	UAE local governments publicly traded debt securities (0% Risk Weighted under BII Standardized Approach) Rated A and below or unrated	0	0	0	0	0
1.8	UAE Public sector publicly traded debt securities (non commercial, 0% Risk Weighted under BII Standardized Approach) Rated A+ and above	0	0	0	0	0
1.9	UAE Public sector publicly traded debt securities (non commercial, 0% Risk Weighted under BII Standardized Approach) Rated A and below or unrated	0	0	0	0	0
	Sub total (1.6 to 1.9)	0	0	0	0	0
1.10	Foreign Sovereign debt instruments or instruments issued by their respective central banks (0% Risk Weighted under Basel II Standardized Approach)	0	0	0	0	0
1.11	Total	**891,892**	**1,002,922**	**1,036,458**	**950,784**	**873,225**
2	Total liabilities	1,812,329	1,504,388	1,431,316	1,160,960	1,079,978
3	**Eligible Liquid Assets Ratio (ELAR)**	**49.21%**	**66.67%**	**72.41%**	**81.90%**	**80.86%**

Lending to Stable Resources Ratio (LSRR)

The Lending to Stable Resources Ratio (LSRR) is a measure that recognizes both the actual uses as well as the uses of funds in terms of the contractual maturity and behavioral profile of the sources of funds available to the bank, to ensure that there are limited maturity mismatches and cliff effects. Central Bank reporting for BRF 7 details the requirements of the ratio.

LSRR should not exceed 100%. The Branch's ratio is 31.54%, this is the equivalent percentage of the total advances being funded by stable resources (i.e., customer deposits, etc.). This provides the branch with enough flexibility in managing extra resources and its balance sheet in the long term.

			30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
		Items	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**
1		**Computation of Advances**					
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	148,395	180,881	286,867	301,960	194,641
	1.2	Lending to non-banking financial institutions	-	6	264	-	-
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	391,134	364,869	353,853	245,341	238,557
	1.4	Interbank Placements	8,759	17,911	16,079	29,004	
	1.5	**Total Advances**	548,288	563,667	657,063	576,305	433,198
2		**Calculation of Net Stable Resources**					
	2.1	Total capital + general provisions	572,992	557,048	550,156	543,600	531,571
		Deduct:					
	2.1.1	Goodwill and other intangible assets	289	317	345	373	401
	2.1.2	Fixed Assets	585	698	801	296	503
	2.1.3	Funds allocated to branches abroad					
	2.1.5	Unquoted Investments					
	2.1.6	Investment in subsidiaries, associates and affiliates					
	2.1.7	**Total deduction**	874	1,015	1,146	669	904
	2.2	**Net Free Capital Funds**	572,118	556,033	549,010	542,931	530,667
	2.3	**Other stable resources:**					
	2.3.1	Funds from the head office with Head Office loans towards meeting Large Exposure Funding	-	-	-	-	-
	2.3.2	Interbank deposits with remaining life of more than 6 months					
	2.3.3	Refinancing of Housing Loans					
	2.3.4	Borrowing from non-Banking Financial Institutions	325,736	262,316	259,128	260,916	239,948
	2.3.5	Customer Deposits	714,608	761,601	781,107	630,441	602,655
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date					
	2.3.7	**Total other stable resources**	1,040,344	1,023,917	1,040,235	891,357	842,603
	2.4	**Total Stable Resources (2.2+2.3.7)**	1,612,462	1,579,950	1,589,245	1,434,288	1,373,270
3		**Advances TO STABLE RESOURCES RATIO (1.5/ 2.4*100)**	34.00	35.68	41.34	40.18	31.54

Credit Quality of Assets (CR1)

The determination of impairment losses and allowance uses an expected loss model, where provisions are taken upon initial recognition of the financial asset (or the date that the Branch becomes a party to the loan commitment or financial guarantee), based on expectations of potential credit losses at that time.

For financial assets originated or purchased, the Branch recognizes a loss allowance at an amount equal to 12-month expected credit losses if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1). This amount represents the expected credit losses resulting from default events that are possible within the next 12 months.

The lifetime expected credit losses represent default events over the expected life of a financial instrument. The Branch measures expected credit losses considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Branch considers a longer period.

The determination of the maximum contractual period considers the date at which the Branch has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Overdrafts and corporate revolving facilities typically include both a loan and an undrawn commitment component (if any), and in these cases the contractual ability of the Branch to demand repayment and cancel the undrawn commitment does not limit the Branch's credit loss exposure to the facility's contractual term. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. While the Branch can cancel these facilities with immediate effect, this contractual right is not enforced in normal day-to-day credit risk management process, but only when the Branch becomes aware of an increase in credit risk on the facility. Consequently, for such facilities, the Branch measures expected credit losses over a period longer than the maximum contractual term. This longer period is estimated taking into consideration credit risk management actions which the Branch expects to take to mitigate credit losses. These credit risk management actions include reducing limits and facility cancellation.

	a	b	c	d	e	f
	Gross carrying values of		Allowances/ Impairments	credit losses on SA exposures		Net values (a+b-c)
	Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
Loans		148,395	96		96	148,299
Debt securities						-
Off-balance sheet exposures		7,772,447	11,516		11,516	7,760,931
Total	**-**	**7,920,842**	**11,612**	**-**	**11,612**	**7,909,230**

Group Disclosure

Deutsche Bank AG Dubai Branch is a branch of Deutsche Bank AG, incorporated in Federal Republic of Germany.

For additional information on Deutsche Bank AG and its Financial results and disclosures, please refer to following website: https://investor-relations.db.com/