

Deutsche Bank AG – Johannesburg Branch

Pillar 3 Disclosure



Pillar 3 Quarterly Disclosure
March 2018

Overview

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

Period of reporting

This report is in respect of the quarter ended 31 March 2018, including comparative information (where applicable) for the quarter ended 31 December 2017.

The table below provides an overview of the branch's prudential regulatory position as measured by key regulatory metrics.

| | March 2018 | December 2017 |
|--|---------------|------------------|
| Available capital (R'000) | | |
| 1 Common Equity Tier 1 (CET1) | 1,144,256 | 1,265,383 |
| 2 Tier 1 | 1,144,256 | 1,265,383 |
| 3 Total Capital | 1,146,711 | 1,286,828 |
| Risk-weighted assets (R'000) | | |
| 4 Total risk-weighted assets (RWA) | 5,732,468 | 5,371,176 |
| Risk-based capital ratios as a percentage of RWA | | |
| 5 Common Equity Tier 1 ratio (%) | 19.96 | 23.56 |
| 6 Tier 1 ratio (%) | 19.96 | 23.56 |
| 7 Total capital ratio (%) | 20.00 | 23.96 |
| Additional CET1 buffers requirements as a percentage of RWA | | |
| 8 Capital conservation buffer requirement (2.5% from 2019) (%) | 1.88 | 1.25 |
| 9 Countercyclical buffer requirement (%) | - | - |
| 10 Bank GSIB and/or DSIB additional requirements (%) | - | - |
| 11 Total of bank CET1 specific buffer requirements (%) (row8+row9+row10) | 1.88 | 1.25 |
| 12 CET1 available to meet buffers after meeting the bank's minimum capital requirements, and, if applicable, TLAC requirements (%) | 13.96 | 17.06 |
| Basel III leverage ratio | | |
| 13 Total Basel III leverage ratio exposure measure | 11,701,867 | 12,403,859 |
| 14 Basel III Leverage ratio (%) (row2/row13) | 9.78 | 10.20 |
| Liquidity Coverage Ratio | | |
| 15 Total High quality Liquid Assets (HQLA) | 1,556,177 | 1,956,375 |
| 16 Total Net Cash Outflow | 325,922 | 450,538 |
| 17 LCR ratio (%) | 482 | 437 |



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The table below provides an overview of total RWA forming the denominator of the risk-based capital requirement in respect of the quarter ended 31 March 2018, including comparative information (where applicable) for the quarter ended 31 December 2017.

| | RWA R'000 | RWA R'000 | Minimum capital requirements ⁽¹⁾ R'000 |
|--|------------------|------------------|--|
| | March 2018 | December 2017 | March 2018 |
| Overview of Risk Weighted Assets | | | |
| 1 Credit risk (excluding counterparty credit risk) (CCR) | 1,990,353 | 1,715,632 | 221,427 |
| 2 Of which standardised approach (SA) | 1,990,353 | 1,715,632 | 221,427 |
| 3 Of which internal rating-based (IRB) approach | - | - | - |
| 4 Counterparty credit risk | 3,251,991 | 3,164,854 | 361,784 |
| 5 Of which standardised approach for counterparty credit risk (SA-CCR) | - | - | - |
| 6 Of which internal model method (IMM) | - | - | - |
| Of which Current Exposure Method (CEM) | 3,251,991 | 3,164,854 | 361,784 |
| 7 Equity positions in banking book under market-based approach | - | - | - |
| 8 Equity investments in funds – look-through approach | - | - | - |
| 9 Equity investments in funds – mandate-based approach | - | - | - |
| 10 Equity investments in funds – fall-back approach | - | - | - |
| 11 Settlement risk | - | - | - |
| 12 Securitisation exposures in banking book | - | - | - |
| 13 Of which IRB ratings-based approach (RBA) | - | - | - |
| 14 Of which IRB Supervisory Formula Approach (SFA) | - | - | - |
| 15 Of which SA/simplified supervisory formula approach (SSFA) | - | - | - |
| 16 Market risk | 74,038 | 66,650 | 8,237 |
| 17 Of which standardised approach (SA) | 74,038 | 66,650 | 8,237 |
| 18 Of which internal model approaches (IMM) | - | - | - |
| 19 Operational risk | 336,964 | 336,964 | 37,487 |
| 20 Of which Basic Indicator Approach | 336,964 | 336,964 | 37,487 |
| 21 Of which Standardised Approach | - | - | - |
| 22 Of which Advanced Measurement Approach | - | - | - |
| 23 Amounts below the thresholds for deduction (subject to 250% risk weight) | 45,768 | 52,740 | 5,092 |
| 24 Floor adjustment | - | - | - |
| 25 Other Assets Risk | 33,354 | 34,336 | 3,711 |
| Total (1+4+7+8+9+10+11+12+16+19+23+24+25) | 5,732,468 | 5,371,176 | 637,737 |

1 *Minimum capital requirements - This value is 11.125% for 2018, consisting of a Pillar 1 requirement of 8.00%, Pillar 2A of 1.25%, and a phased in Capital Conservation Buffer of 1.875% in 2018.*