CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

DEUTSCHE BANK

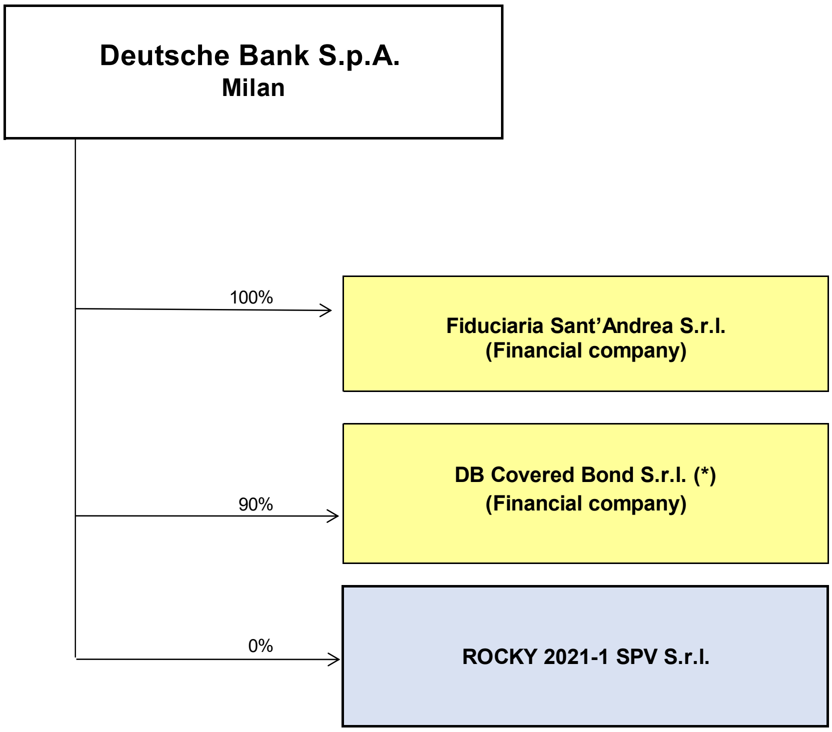
Joint-Stock Company

Deutsche Bank S.p.A.
Reports and Consolidated Financial Statements 2024

Structure of Deutsche Bank Group

Composition of

DEUTSCHE BANK S.P.A. Banking Group (at 31 December 2024)



= Companies belonging to the Banking Group which are consolidated using the line-by-line method.

= Company consolidated using the line-by-line method, control as per IFRS 10.

(*) = The other 10% is held by SVM Securitisation Vehicles Management S.r.l.

Management Board's Report on the Consolidated Financial Statements

The Group’s financial position and performance

The report on the Separate Financial Statements of the parent company, Deutsche Bank S.p.A., comments on the Bank’s strategies and performance in 2024, making reference to the subsidiaries where necessary.
This report on the Consolidated Financial Statements analyses Deutsche Bank Group’s performance and provides information on the management of the individual subsidiaries that comprise the Group. The 2024 Management Board's Report supplements the information provided in the Financial Statements schedules and the notes thereto which, as in previous years, are prepared in accordance with IAS/IFRS.

There were no changes in the Group's scope of consolidation in 2024.
Although it does not hold any stake in the Rocky company, the Bank has verified that the requirements for establishing control as set out in IFRS 10 are met.

As described in detail in section A of the Notes to the Consolidated Financial Statements, regarding the accounting policies, from 1 January 2014 the preparation of the Consolidated Financial Statements is governed by IFRS 10 which replaced the previous standards IAS 27 and SIC 12: the application of the new standard did not result in changes to the consolidation scope at 1 January 2014, in particular the structured company DB Covered Bond S.r.l., which had previously been consolidated pursuant to interpretation SIC 12, continued to be considered a subsidiary according to the new control model pursuant to IFRS 10.

The following tables summarise the Group's main Statement of Financial Position and Income Statement data and indicators for the year 2024 compared to the values for the previous year.

Income Statement

(€ mln)		Financial Year			Change
		2024		2023	
Net interest income		690.6		706.4	-2.2%
Net commissions and other net financial revenues		367.8		310.2	18.6%
Total income		1,058.4		1,016.6	4.1%
Net value adjustments on cash loans and for commitments and guarantees issued		(166.9)		(134.0)	24.6%
Operating costs		(704.2)		(737.4)	-4.5%
ordinary personnel expenses	*(319.9)*		*(316.8)*		
other ordinary operating costs	*(286.3)*		*(331.5)*		
intercompany costs of the DB AG Group	*(88.0)*		*(94.0)*		
other non-recurring economic components	*(10.0)*		*4.90*		
Gross profit (loss) from current operations		187.3		145.2	29.0%
Net Profit (loss) attributable to the Group		120.4		199.3	-39.6%
Net gain (loss) per share (€)		0.79		1.30	-39.2%

The operating costs indicated above were determined by adding to item 240 of the income statement, "Operating costs", also items 140, 250 and 280, respectively "Gains (losses) from contractual changes without derecognitions", "Gains (Losses) from equity investments" and "Gains (Losses) from sale of investments" and excluding item 200.a).

Statement of Financial Position

(€ mln)	Balance at 31/12/2024	Balance at 31/12/2023	Change
Total assets	30,675.1	32,542.8	-5.7%
Loans and receivables with customers	19,824.1	20,199.7	-1.9%
Net interbank position	(2,606.5)	(4,343.2)	-40.0%
Direct funding	15,086.8	14,445.5	4.4%
Indirect customer deposits (administered and managed)	28,187.0	26,458.5	6.5%
Equity attributable to the Group	3,000.2	2,375.3	26.3%

Performance indicators

	Data at 31/12/2024	Data at 31/12/2023	Change
ROE - return on net equity	4.48%	8.47%	-3.99%
ROTE - return on tangible net equity	4.53%	8.58%	-4.06%
ROA - return on assets	0.38%	0.64%	-0.25%
Cost / Income ratio	65.44%	73.73%	-8.29%

Solvency ratios

	Data at 31/12/2024 (*)	Data at 31/12/2023 (*)	Change
Regulatory capital/risk weighted assets (CET1 capital ratio)	11.52%	9.30%	2.22%
Tier 1 capital/risk weighted assets (Tier 1 capital ratio)	13.60%	9.99%	3.61%
Total equity/risk weighted assets (Total capital ratio)	16.13%	12.49%	3.64%

(*) = in 2019, the parent company, Deutsche Bank S.p.A., obtained an exemption from supervisory reporting on a consolidated basis, given that its risk-weighted assets represent approximately 98-99% of consolidated assets. The data at 31 December 2024 and 2023 therefore refer only to the Bank. They are reported for completeness of information, considering them in any case significant, given the incidence of the parent company on the total data.

Structure data

	Data at 31/12/2024	Data at 31/12/2023	Change
Employees	2,823	3,026	(203)
Branches	207	243	(36)

The following table presents the reconciliation between the profit for the year and the shareholders' equity of Deutsche Bank S.p.A. (Separate Financial Statements) and the corresponding figures of the Consolidated Financial Statements.

Reconciliation between the parent company's shareholders' equity and profit for the year and consolidated shareholders' equity and profit for the year		
in thousands of euro	Shareholders' equity	of which: profit (loss) for the year
Balances at 31 December 2024 as per parent company's Financial Statements	**2,999,825**	**120,328**
Contribution of companies consolidated on a line-by-line basis	405	53
Other consolidation adjustments	-	-
Balances at 31 December 2024 as per the consolidated Financial Statements	**3,000,230**	**120,381**

The reconciliation table above shows the consolidated profit for the year 2024 equal to €120.4 million compared to the result for 2023 which was positive for €199.3 million.

The following table compares the breakdown of consolidated results for 2024 and 2023 and shows the individual changes of each year.

In thousands of euro	Financial Year 2024	Financial Year 2023	Changes Amount	%
Net profit (loss) of the parent company	120,328	200,436	(80,108)	(40.0)
dividends from the Group companies	-	-	-	-
Net contribution of the parent company	120,328	200,436	(80,108)	(40.0)
Net contribution of companies consolidated on a line-by-line basis	53	219	(166)	(75.8)
Other consolidation adjustments	-	(1,332)	1,332	(100.0)
Net profit (loss) for the year from the Consolidated Financial Statements	120,381	199,323	(78,942)	(39.6)
% net contribution of the parent company	100.0%	100.6%		

The profit for the year 2024 is in fact entirely attributable to the parent company, since the contributions of the other Group companies are now marginal in light of the evolution of the consolidation perimeter recorded in previous years: in addition, to be noted are the merger by incorporation into Deutsche Bank S.p.A. of the subsidiary Finanza & Futuro Banca S.p.A. and the transfer of the business unit of all the operating activities of the service consortium company to the parent company, which took place in 2018.

The next part of the Report gives an account of the management and business performance dynamics that determined Deutsche Bank S.p.A.'s profit.
In 2024, the contribution of the other companies amounted to €53 thousand in net profits, attributable to the subsidiary Fiduciaria Sant'Andrea S.r.l.

The table below provides details of the contributions of the subsidiaries, the results of which are commented on later in this Report.

In thousands of euro	YEAR 2024	YEAR 2023	Changes Amount	%
Fiduciaria Sant’Andrea S.r.l.	53	219	(166)	-75.8%
Total	**53**	**219**	**(166)**	-75.8%

Other consolidation adjustments, equal to €-1.3 million for the year 2023, were attributable to the deconsolidation of the affiliate Prestipay S.p.A., a company sold to Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A. on 21 June 2023.

The following table compares the consolidated shareholders' equity breakdown for 2024 and 2023.

In thousands of euro	position at 31 December 2024	position at 31 December 2023	Changes Amount	%
Shareholders' equity of the parent company	2,999,825	2,374,938	624,887	26.3
Net contribution of the other Group companies	405	348	57	16.4
Other consolidation adjustments	-	-	-	-
Shareholders' equity shown in Consolidated Financial Statements	3,000,230	2,375,286	624,944	26.3

The year-end figure shows an increase in the amounts of consolidated shareholders' equity compared to 2023, with a change of €624.9 million (+26.3%), attributable to the parent company and for which reference should be made to the information provided below on the statement of financial position data.

The following comments on the performance of the statement of financial position and income statement aggregates refer to the absolute values and percentages that can be inferred from the comparative Consolidated Statement of Financial Position and Income Statement schedules reported in the section "structure of the Financial Statements".

Economic and financial analysis

Income Statement

The 2024 consolidated income statement shows a net profit attributable to the Group of €120.4 million, compared to a profit of €199.3 million in 2023.

Total income: charges and income of a financial nature
Total income for 2024 amounted to €1,058.4 million as the sum of net interest income of €690.6 million, net commissions of €352.5 million and other net financial income of €+15.3 million.
This income aggregate shows an increase of €41.8 million (+4.1%) compared to 2023.
More in detail, the changes of the three margins that make up the income aggregate can be summarized as follows:
- net interest income, down €15.8 million;
- net fee and commission income, up €49.0 million;
- net other financial income/expense, up €8.6 million.

Net interest income
The figure for 2024, amounting to €690.6 million, shows a decrease of €15.8 million compared to the previous year's figure of €706.4 million, representing a decrease of 2.2%.
This decrease is due to higher interest income, €+110.0 million, offset by higher interest expense, €125.8 million.

In 2024, the Bank's net interest income was impacted by the decrease in the interest rate curve in the Eurozone, as a result of the effects of the expansionary monetary policy implemented by the ECB.
The financing operations obtained from the ECB, TLTRO, closed in March 2024, resulted in interest expenses totalling €33.8 million in 2024 (last year: negative interest income of €147.0 million).

Net fee and commission income
The margin in question was up compared to the previous year and amounted to €352.5 million in 2024, an increase of €49.0 million (+16.1%) compared to 2023.
The main types of commission income are represented by the placement of securities, the distribution of insurance products and traditional banking services.

The positive contribution from net other financial income/expense of €15.3 million includes:
- **dividends** amounted to €1.7 million, up from €0.9 million in 2023;
- the **net trading income** showed a positive result with a net income of €+2,0 million, broken down as follows:
i) a positive contribution from foreign exchange and foreign exchange derivatives transactions, €+1.8 million;

ii) a positive contribution of €+0.2 million due to interest rate derivatives, a segment that also includes the valuation effects of management macrohedging transactions, which cannot be classified as "hedging" under the rules of IAS 39; it should be noted that, as permitted by the rules for the application of IFRS 9, the DB Group decided to continue to adopt the hedge accounting model for hedging transactions as governed by the previous IAS 39, in the "carve out" version approved by the EU;
- the **net result of hedging activities** was positive for €12 thousand; during 2024 the existing hedging ratios complied with the quantitative thresholds provided for by IAS 39 (the "80% -125% rule"), as in the previous year;
- **net losses from sale of financial assets measured at amortised cost** amounted to €-3.7 million and are due to the early repayment at market conditions of certain maturity deposits granted to the holding company DB AG Frankfurt;
- **net gains on sale of financial assets measured at amortised cost** amounted to €4.8 million (in 2023, losses stood at €-7.8 million) and refer to the sale of impaired loans (bad loans) carried out by the Bank; these sales take place on a recurring basis and are aimed at optimising the time profiles and administrative costs for recovering bad loans, as well as at discounting the effects of regulatory regulations on NPLs, such as calendar provisioning;
- **net gains on repurchases of financial liabilities** amounted to €4.0 million and are due to the early repayment at market conditions of deposits (payable) received from the holding company DB AG Frankfurt.

The **net result of other financial assets and liabilities measured at fair value through profit or loss** reports a profit of €6.5 million in 2024, while in the previous year the Group recognised revenue of €5.9 million
The amount of €+6.5 million represents the net result of the fair value measurement of some equity interests held by the parent company (VISA, MTS S.p.A., CRIF S.p.A. and Bancomat S.p.A.) for €-0.4 million, more than offset by the €+6.9 million profit realised on the sale of VISA Class A shares.

Value adjustments on financial assets
In the area of **value adjustments**, there was an increase of approximately €52.1 million in provisions for **credit risks** compared to the previous year; the figure for the year amounts to €178.2 million, equal to approximately 25.8% of net interest income (17.9% in 2023).
The cost of credit indicator (net value adjustments/average loans to customers) shows an increase of 89 basis points compared to last year (61 basis points).

Overall, net financial income stood at €879.9 million, down €10.2 million (-1.1%) compared to 2023, when this economic margin amounted to €890.1 million.

Operating costs
Operating costs show a decrease of €56.9 million (-7.6%), down from €749.6 million in 2023 to €692.6 million in 2024.
Personnel expenses recorded an increase of €13.1 million (+4.1%) compared to 2023, when they amounted to €316.8 million. The increase is mainly attributable to provisions for personnel costs of €10 million relating to the new restructuring plan managed through Voluntary Early Retirement or Voluntary Exit.

Other **administrative expenses** showed a decrease of €45.8 million (-12.63%) and a total for the year 2024 of €317.2 million.
Other administrative expenses in 2024 include charges for €13.9 million related to the contributions paid to the FITD for the insurance of bank deposits. No contributions were required for the national resolution fund established at the Bank of Italy.
In 2023 these charges totalled €29.5 million, related to the contributions paid to the FITD for the insurance of bank deposits for €14.9 million and to the national resolution fund (for €14.6 million).

Net provisions for risks and charges amounted to €+11.8 million in collections, of which €+11.3 million for commitments and guarantees, a calculation based on the rules of IFRS 9, and €0.5 million for other provisions.
Value adjustments on property, equipment and investment property are down compared to 2023, going from €39.7 million to €37.0 million (-6.7%), the main cost component is represented by the depreciation of rights of use relating to property leases and the rental of the company fleet for a total of €29.0 million.
Value adjustments on intangible assets decreased slightly compared to 2023, from €8.0 million to €7.8 million (lower software amortisation costs).
The aggregate operating costs are completed by **other operating income (expense)**, negative in 2024 for €12.5 million compared to net expenses of €3.7 million in 2023.

The **result from current operations**, before taxes, showed a profit of €187.3 million, an improvement over the year 2023, when the profit amounted to €145.2 million.

As regards **income taxes**, the figure for 2024 shows a charge of €66.9 million, compared with a gain of €54.1 million recorded in the previous year.
In the previous year, the gain was mainly due to the recognition of net deferred tax assets of €77.4 million (of which €75.2 million had an effect on the income statement), partially offset by a charge of €21.4 million arising from the facilitated settlement of pending disputes provided for in the 2023 Budget Law (Law No. 197 of 2022, Article 1, paragraphs 186 to 200) for the years 2014 and 2015.

Profit for the year attributable to non-controlling interests
This item is zero in both years.

Performance indicators
The main performance indicators related to the Group's economic performance in 2024 reflect the effects commented above:
- the return on equity (RoE), the ratio of net profit after tax to average total shareholders' equity for the year was positive and equal to +4.48%;
- the return on tangible equity (RoTE), which measures the profitability of shareholders' equity less intangible assets, showed a value of +4.53%;
- the RoA, return on assets, stood at +0.38%;
- the cost/income ratio stood at 65.44%.

Statement of Financial Position

Total assets, amounting to €30.7 billion, shows a decrease compared to 2023, reporting a reduction of €1.9 billion, or -5.7%.
The following is a commentary on the individual items of the Financial Statements and the related operation dynamics, which have determined the changes during the year: unless otherwise indicated, these figures are attributable solely to the parent company, Deutsche Bank S.p.A., which accounts for approximately 97.4% of the consolidated data, while the other significant percentage refers to DB Covered Bond S.r.l., which accounts for 2.58% of total assets.
The other two consolidated companies have a more limited asset structure: in particular, Fiduciaria Sant'Andrea S.r.l. carries out mainly brokerage, asset management and service activities with a smaller amount of fixed assets.

Loans and receivables with banks and customers
Loans and receivables with banks decreased by approximately 36.7% from €7.0 billion to €4.4 billion.
Compared to 31 December 2023, the net interbank position, which continues to be negative, was up by €1,736.7 million, from a balance of €4.3 billion in the last year to €2.6 billion at 31 December 2024.
The decrease in loans and receivables with banks is attributable to the use – by the parent company – of cash collected by the ultimate parent company to repay the TLTRO III agreement: this TLTRO III agreement provided for two loans totalling €3.5 billion, which were repaid in full in March 2024.

Loans and receivables with customers: the aggregate shows a balance of €19.8 billion, down €376 million (-1.9%) compared to the previous year.
Loans and receivables with customers are mainly made up of mortgage loans by €6.4 billion, a portfolio down by €1.1 billion compared to 2023, and from personal loans and credit cards of €7.5 billion, a segment up by €0.6 billion compared to 2023.

Financial investments
Pursuant to IFRS 9 classification criteria, which entered into force on 1 January 2018 and as applied by the DB Group, the segment of investments in financial instruments of the Group companies is divided into two portfolios, which show the following compositions and changes in the period under review.

In thousands of euro	31/12/2024	31/12/2023	Change Absolute	%
Financial assets measured at fair value through profit or loss:				
a) financial assets held for trading	67,063	95,818	(28,755)	(30.01)
b) financial assets designated at fair value	-	-	-	-
c) other financial assets mandatorily measured at fair value	39,800	40,723	(923)	(2.27)

The segment of **financial assets held for trading** showed a decrease of €28.8 million compared to 31 December 2023. The balance mainly consists of interest rate derivatives (IRS and IRO Cap) for €56.5 million (€88.9 million in 2023); the remaining €10.5 million consists of foreign exchange options and foreign exchange forward contracts (€6.9 million in 2023).
The operations carried out by the parent company relate to contracts entered into with corporate customers (mainly in the mid-cap and SME sectors) whose market risk is closed out with equal and opposite transactions with Deutsche Bank AG.

Other financial assets mandatorily measured at fair value
This item consists exclusively of equity securities, which had been classified, according to the previous rules of IAS 39 up to 31 December 2017, as financial assets available for sale. The decrease of €-0.9 million reported in the year 2024 is attributable to valuation effects that resulted in a change in the fair value of securities of €-0.4 million and the sale of Ferroli SFPs for €-0.5 million. The valuation changes are attributable to the CRIF shares for €+0.2 million, to the VISA dollar shares for €-3.1 million and the MTS shares for €+2.5 million.
As indicated in part A of the Notes to the Financial Statements in the chapter dedicated to the methods for determining fair value, methods based on market multiples or on prices observed on the market for recent transactions are mainly used for equity securities measured at fair value.

Hedging derivatives
This item shows the fair values as at the reporting date of derivatives used by the parent company to hedge interest rate risk (fair value hedge) of long-term fixed-rate deposits with banks: hedging relationships are of the micro-hedging type.
As regards assets, the value of the contracts showed a decrease by 10.5% compared to the 2023 figure and amounted to €4.5 million.

All hedged positions relate to loans granted and fixed-rate bank deposits.
Hedging relationships are of the micro-hedging type and related to the (fixed) interest rate risk, fair value hedge.
The derivatives used for hedging are interest rate swap contracts executed with the holding company Deutsche Bank AG.
The carrying amounts of hedging derivatives are offset, from a risk management perspective, by the fair value measurement of the instruments subject to the fair value hedge, which are included in asset item 40, "Financial assets measured at amortised cost", and in liability item 10, "Financial liabilities measured at amortised cost".
It should be noted that the derivative components (such as implicit options), when present in the structured loans issued, are shown, if separated as required by IFRS 9 (previously by IAS 39), among financial assets and liabilities held for trading.

Property, equipment and investment property and intangible assets
The change in **property, equipment and investment property**, €+13.3 million (+6.6%), is due substantially to the net effect of capital expenditure and depreciation (€35.5 million mainly related to the rights of use recorded against the rental contracts and car leases of the corporate fleet).
Intangible assets, made up entirely of software programmes, showed a decrease in 2024 as well compared to the previous year, of €-3.3 million: amortisation during the year amounted to €7.8 million, which was offset by capitalisation for €4.5 million.
This item does not include either goodwill or other intangible assets with an indefinite useful life.

Other asset captions
Tax assets recorded a decrease of €62.2 million, due to the drop in deferred taxation (€-77.2 million) offset by the increase in current tax assets (€+15.0 million).
The wording *"of which"* related to deferred tax assets, which may fall within the scope of application of Law no. 214/2011 (transformation into current tax credits in the event of operating losses), amounted to €52.7 million, compared to €98.3 million at 31 December 2023.

Other assets decreased to €877.9 million, -0.8% compared to the previous year: this book value is almost entirely attributable to the parent company and the most significant element is the Eco-Sisma Bonus credits amounting to €214.4 million.

Due to banks and direct funding from customers
Changes in these items in 2024, as already mentioned for the corresponding asset items, were determined by the management of the funding activities implemented by the parent company's treasury during the year: the **due to banks** segment showed a decrease of 20.9% compared to the previous year, with a reduction of €3,128 million.
The decrease is mainly due to the expiry of the TLTRO III agreement in March 2024, for a total of approximately €-3.6 billion, to central banks.
Other bank borrowings, on the other hand, showed a slight increase (approximately €+0.5 million) compared to the previous year.
This increase is attributable to a collection of term deposits with the ultimate parent company to protect the liquidity metrics of DB S.p.A.
"Due to banks" also include subordinated deposits (unchanged from the previous year) for €520 million received from Deutsche Bank AG and computable in the second level regulatory capital, Tier 2.

Direct funding from customers was up by +4.4%, i.e. €+0.6 billion; more specifically, the two components (due to customers and securities issued) recorded the following changes:
- **due to customers** amounted to €15.0 billion, an increase compared to 2023 by €0.7 billion, +5.2%, and mainly consisted of free current accounts and sight deposits, for €13.2 billion; starting from 2019, this item includes payables to lessors, relating to property and car rental contracts, as required by IFRS 16, and payables amounting to €115 million at the end of 2024.
- **securities issued** recorded a decrease compared to the previous year of €-0.1 billion; the balance at the end of the year amounted to €125.6 million (compared to €227.6 million in the previous year) and consists of certificates of deposit.
Deutsche Bank S.p.A. has not been issuing new securities to customers for several years now; this management approach is the consequence of the launch in 2009 of a different commercial strategy based on a more intense activity of placement of financial instruments issued by other companies of the Deutsche Bank AG Group, including the Milan branch of the German holding company, active with this operation in the period 2011-2014.
The securities issued liability item is recognised in the Financial Statements, for the part relating to bond loans, net of repurchases settled up to the closing date of 31 December, as required by the international accounting standard IFRS 9: in particular it is relevant, in terms of amounts, the repurchase by Deutsche Bank S.p.A. of the two covered bonds which were issued in 2015 for a total of €3.5 billion, replacing a previous issue of €2.9 billion maturing in the same period.
At 31 December 2021, there was only one outstanding covered bond for €3 billion, which was repaid in advance on 27 May 2022, with a quarterly coupon of 3M Euribor + 18 b.p., while the covered bond in the amount of €0.5 billion with a quarterly coupon of 3M Euribor + 15 b.p. had matured on 28 July 2021.
At 31 December 2024, same as at 31 December of the previous year, there are two covered bonds issued on 6 June 2022 for a total amount of €2.7 billion.
Repurchased self-issued covered bonds are generally used as collateral to guarantee loan liabilities.
At the date of these consolidated financial statements, a significant securities lending transaction was recorded, involving 2 billion of the securities in question, granted by the parent company to the ultimate parent company (Deutsche Bank AG) in exchange for remuneration for the availability of the securities.
The remaining €700 million in covered bonds issued by the parent company and €3.5 billion in bonds subscribed by the parent company and issued by the vehicle ROCKY 2021-1 SPV S.r.l., following the self-securitisation of consumer loans carried out in 2021, are deposited with the Bank of Italy as contingent collateral for any requests for loans.

Financial liabilities and other liability items
Financial liabilities held for trading comprise the negative market values of trading derivative contracts and show a balance of €69.4 million, down 27.8% compared to 2023.
The change in trading assets and liabilities show normally similar trends owing to the type of transaction in derivatives performed by the parent company that envisages, for contracts stipulated with SMEs and Corporate customers, hedging against associated market risks with an opposite balancing transaction with banking counterparties within Deutsche Bank AG Group (in particular the Frankfurt branch).

Tax liabilities show a balance of €1.1 million, up from the previous year, which showed a balance of €1,000.
For **other liabilities**, an increase of 11.4% was reported, while the staff **severance indemnity fund** decreased by approximately 19.3% with a balance at the end of 2024 of €7.8 million.
The **provisions for risks and charges** have also included, starting from 2018, the provision related to commitments and guarantees given, calculated pursuant to the criteria of IFRS 9. At 31 December 2024, the total balance was €93.7 million, a net decrease of €39.0 million compared to 2023 (-29.4%).

The Group **shareholders' equity** increased by €625.0 million in 2024, amounting to €3,000 million. This change is attributable almost entirely to five factors:

- the capital strengthening operation carried out by the parent company during the year with the issue on 5 December 2024 of a new Additional Tier 1 instrument denominated in euros for an amount of €280 million. The entire amount of the loan was subscribed by the holding company Deutsche Bank AG – Frankfurt;
- an additional capital injection by the holding company Deutsche Bank AG of €290 million in favour of the parent company;
- profit for the year 2024 of €120.4 million;
- the payment of €8.2 million of the coupon on the AT1 capital instrument, which resulted in the gross amount of the coupon paid on the AT1 capital instrument being debited to profit reserves, with recognition of the related tax effect due to potential tax recovery of €2.3 million;
- the payment of €56.6 million in dividends relating to the previous year.

With reference to the AT1 security, it should be noted that on 21 September 2015, Deutsche Bank S.p.A. issued a euro-denominated Additional Tier 1 capital instrument in the amount of €145 million, the terms of which are in line with the regulatory regulations (CRR, CRD IV), in force since 1 January 2014:
the notes issued are of the Undated Non-Cumulative Fixed to Reset Rate Additional Tier 1 type. The entire amount of the loan had been subscribed and is still held by the holding company Deutsche Bank AG - Frankfurt.
The securities are perpetual (with maturity linked to the statutory duration of Deutsche Bank S.p.A.) and could have been called by the issuer for the first time on 30 April 2021 ("first call date") and subsequently on each coupon payment date.
The fixed-rate coupon recognised until 30 April 2021 was 6.33% per year and is
payable on an annual basis; since the early repayment option was not exercised, it was redefined on the basis of the five-year swap rate, in force at the time of periodic recognition: the new annual coupon is 5.675%.

On 5 December 2024, Deutsche Bank S.p.A. had issued a new Additional Tier 1 instrument, denominated in euro, for €280 million, whose terms were in accordance with the CRD IV regulation, in effect from 1 January 2014: the notes issued are of the Undated Non-Cumulative Fixed to Reset Rate Additional Tier 1 type.
The entire amount of the loan was subscribed by the holding company Deutsche Bank AG - Frankfurt.
The securities are perpetual (with maturity linked to the bank's statutory duration) and may be called by the issuer for the first time on 30 April 2030 ("first call date") and subsequently on each coupon payment date.
An annual fixed-rate coupon of 7.375% is payable; subsequently, if the early repayment option is not exercised, the coupon will be redefined based on the five-year swap rate, in effect at the periodic reporting, plus 533.4 b.p.

Additional Tier 1 instruments contribute to strengthen the Deutsche Bank S.p.A. Tier 1 ratio. In compliance with regulatory requirements, the coupon payment of the capital instrument is optional. The settlement of the issued notes provides for a trigger of 5.125% on the Common Equity Tier 1 (CET1) by which, if the CET1 ratio of the Group or Deutsche Bank S.p.A. should fall below this threshold, the nominal value of the notes would be temporarily reduced by the amount necessary to restore the level, taking into consideration other instruments with similar characteristics. This write-down mechanism is regulated by Article 92 (1) (a) of the CRR.

The **equity attributable to non-controlling interests** amounted to approximately €11 thousand and represented the assets attributable to the minority shareholder of the company DB Covered Bond S.r.l. for €1,000 and for €10,000 to 100% of the assets attributable to the sole shareholder of the vehicle ROCKY 2021- 1 SPV S.r.l.

The following are some notes commenting on the 2024 operating performance of the Group companies.

Fiduciaria Sant'Andrea S.r.l. – Milan

During the year, the opening of new mandates and the closing of existing mandates continued; in this regard, it should be noted that more closures were requested than new openings.
At the same time, the request for complex fiduciary services such as escrow accounts, trusts and collection mandates, offered in collaboration with the business divisions of Deutsche Bank S.p.A., was confirmed.

In order to improve awareness of the services offered by Fiduciaria Sant'Andrea and promote them to private and e-business customers, unlike in 2023, no road shows were held, but rather individual meetings with staff from the Bank for Entrepreneurs and Premium Bank divisions.

Collaboration with Zurich Italy Bank financial advisors also continued: to this end, in April 2024, an agreement was finalised to promote the opening of new fiduciary relationships by Zurich Italy Bank customers, as well as an agreement to regulate previous discounts.

Overall, revenues decreased compared to 2023; the establishment of new fiduciary relationships with more favourable pricing than previous ones, the contribution recognised by Zurich Italy Bank for the 2023 and 2024 financial years, and the successful outcome of a legal dispute only partially offset the termination of various relationships and the loss of compensation for the road show, from which Fiduciaria had benefited in 2022 and 2023.

On the other hand, operating costs increased compared to 2023 due to the marked increase in intercompany charges, the costs resulting from the outsourcing to Microdata of the printing and mailing of statements sent to customers, and the legal fees necessary to settle certain long-standing disputes.

Although the pre-tax result was negative, the decrease in IRAP (following the revision of two statements relating to previous years) and the release of some provisions made in 2023 for consolidated IRES (following a change in their calculation methods) enabled the year to be closed with a positive net result.

In 2024, work continued on streamlining operations and resolving past shortcomings, with reference to the management of outsourced activities.

The most significant data on the company's performance are shown below.

In 2024, 11 new fiduciary mandates were opened and 2 new escrow agent mandates and 1 new trustee mandate were acquired. At the same time, 38 existing accounts were closed; therefore, between 1 January and 31 December 2024, the total number of active fiduciary accounts decreased by 24.

At 31 December 2024, the trust assets, amounting to €1,561,504,484, were divided into 217 trust management mandates. The assets transferred to the trust are equal to €96,219,808.

Ordinary revenues amounted to €1,161,025 (-12% compared to 2023).

Operating expenses amounted to €1,203,410 (+11% compared to 2023).

The result for the year amounted to a net profit of €53,165 (the previous year recorded a net profit of €218,579).
This positive result was distributed in full without any allocation to the legal reserve, as required by law and the Articles of Association, the amount of which already exceeds one fifth of the share capital.

The fully paid-up share capital of €93,600 is held entirely by the parent company Deutsche Bank S.p.A.
No shares of the parent company or of other Group companies have been purchased or subscribed.

Obligations pursuant to Legislative Decree no. 231/2007
The company operates in full compliance with the laws and regulations on preventing and combating money laundering, terrorist financing and the proliferation of arms. During 2024, no violations of these provisions were identified.

Obligations pursuant to Legislative Decree no. 81/2008
The company operates in full compliance with the legislative and regulatory requirements regarding health and safety in the workplace. During 2024, no violations of these provisions were identified.

Significant events occurring after the end of the year
In the period between the reference date of the Financial Statements and the date of preparation of this report, no events have occurred that could significantly alter Fiduciaria Sant'Andrea's economic and financial position.

Outlook
During 2025, commercial development will continue through the provision of fiduciary services aimed at facilitating customers to manage complex wealth and family situations by leveraging not only fiduciary mandates, trusts and escrow agreements but also other legally permissible institutions such as trust agreements.
It is also planned to continue the profitable collaboration with the parent company and to revitalise the collaboration with Zurich Italy Bank, organising thematic meetings with financial advisors, and to intensify the collaboration started in 2024 with a leading law firm in Milan, which has made it possible to identify various commercial development opportunities that are expected to be finalised in 2025.
From an operational perspective, we plan to increase the level of digitisation of Fiduciaria by activating corporate banking for banking relationships connected to trust mandates, thereby allowing customers to check their transactions and consult their statements in real time. The possibility of expanding the range of activities outsourced to Fidiger and of using the support of external consultants to manage trust obligations is also under consideration.

DB Covered Bond S.r.l. – Conegliano (TV)

This vehicle was incorporated as SPV Covered Bond S.r.l. on 11 January 2012 in accordance with Law no. 130 of 30 April 1999 (Law no. 130/99), which regulates the performance of securitisations in Italy.
On 10 April 2012, the company was included in the General Register of Financial Intermediaries under number 42016 as per Art. 106 paragraph 1 of Legislative Decree no. 385 of 1 September 1993, as amended (the "Consolidated Banking Act" or T.U.B.).
On 25 May 2012, it changed its name to DB Covered Bond S.r.l. and became part of the Deutsche Bank Banking Group on 27 September 2012.

As part of one or more transactions to issue covered bonds (i.e., either individual issues or issuance programmes) pursuant to Article 7-bis of Law no. 130/99, DB Covered Bond S.r.l.’s sole business object is:
(A) the acquisition against payment from banks through the assumption of loans granted or guaranteed also by the same assignor banks regarding:
(i) property and mortgage loans, including as a portfolio;
(ii) loans with or secured by public authorities, including as a portfolio;
(iii) securities issued as part of securitisations involving loans of the same nature;
(iv) other eligible or supplementary assets allowed by Law no. 130/99 as subsequently amended and related implementing measures, as well as
(B) the provision of cover for the bonds issued by the same or other banks as part of one or more issues of covered bonds (i.e., either individual issues or issuance programmes) pursuant to Art. 7-bis of Law no. 130/99.

As part of this object, in 2012 the company launched a programme for the issue of covered bonds, through (i) the purchase without recourse on 22 June 2012 pursuant to Articles 4 and 7-bis of Law no. 130/99 by the company of a portfolio of pecuniary credits deriving from land or residential mortgage loans entirely issued by Deutsche Bank S.p.A, (ii) the simultaneous obtainment of a subordinated loan from the same selling bank aimed at obtaining the funds necessary to pay the sale price of the aforementioned portfolio, and (iii) the signing, among others, of the contract by which the assets acquired are placed as irrevocable collateral for the covered bonds issued by Deutsche Bank S.p.A..

The Financial Statements at 31 December 2024 show the vehicle broke even as the net operating costs have been recharged to the segregated assets.

With reference to the segregated assets, the transactions that took place in the two-year period 1 January 2023 – 31 December 2024 are reported below, referring to part D of section

E of the Notes to the Financial Statement for the details of the transactions carried out in the years from 2012 to 2022.

Financial Year 2023
The transactions carried out 2023 can be grouped as follows:
1) two repurchases of small portfolios relating to loan positions with at least two unpaid instalments or with a loan-to-value ratio greater than 100%;
2) one repayment transaction related to the subordinated loan received from Deutsche Bank S.p.A.;
3) one transfer transaction.

The details of these transactions, in chronological order, are as follows:
- on 20 April 2023, a repurchase of positions for an equivalent value of €4,338,414 was carried out;
- on 24 May 2023, a portfolio was transferred for a consideration of €205,527,402;
- on 26 July 2023, a partial repayment of the subordinated loan for an amount equal to €112,838,206 was requested and obtained;
- on 23 November 2023, a repurchase of positions for an equivalent value of €3,028,277 was carried out.

Financial Year 2024
The transactions carried out in 2024 can be grouped as follows:
1) two repurchases of small portfolios relating to loan positions with at least two unpaid instalments or with a loan-to-value ratio greater than 100%;
2) one transfer transaction.

The details of these transactions, in chronological order, are as follows:
- on 23 May 2024, a repurchase of positions for a value of €3,427,452 was carried out;
- on 23 October 2024, a repurchase of positions for an equivalent value of €1,379,701 was carried out;
- on 19 December 2024, a portfolio was transferred for a consideration of €192,706,903.

It should be noted that the swap contract was not renewed upon expiry.
The asset swap in question was defined in 2012 as it was deemed crucial at the time to maximise the rating of the transaction.
In 2024, following changes introduced in the agencies' rating models, the contribution of the swap is no longer as crucial, but the level of over-collateralisation (OC) enjoyed by the transaction is more highly valued/appreciated.

At 31 December 2024, the receivables recorded in the company's segregated assets amounted to €2,840,901,693 while the subordinated loan amounts to €3,464,058,846. The liquidity of the vehicle amounted to €789,403,443 and is deposited in current accounts held with the London branch of Deutsche Bank AG.

For additional information on the above-mentioned transactions please see section D, part E of the Notes to the Consolidated Financial Statements.

With regard to the overall progress of the transaction, it should be noted that it is running smoothly and that no irregularities have emerged with respect to the contractual documentation.
In particular, with reference to payments relating to subordinated loans, it should be noted that these took place in accordance with the order of priority of payments according to the reporting prepared by the Computation Agent.
During the year, the Company regularly paid the interest accrued on the loans.

Compliance with the ratios shown below was monitored on a semi-annual basis by the Asset Monitor of the transaction, who, at the request of the Covered Bond issuer, prepares a semi-annual Report analysing the following parameters:
- the Nominal Value Test: the total nominal value of the assets forming part of the segregated assets must be at least equal to the nominal value of the outstanding covered bonds;
- the Net Present Value Test: the present value of the segregated assets, net of all the transaction costs borne by the guarantor, including forecast costs and expenses of any derivatives agreed to hedge financial risks arising from the transaction, must be at least equal to the net present value of the outstanding covered bonds;
- the Interest Coverage Test: interest and other income generated on the segregated assets, net of the guarantor's costs, must be sufficient to cover the interest and costs due by the issuer on the outstanding covered bonds, considering any derivatives agreed to hedge financial risks arising from the transaction;

- the Asset Coverage Test: dynamically verifies that the assets forming part of the segregated assets, weighted differently according to type and quality, are sufficient to cover the minimum level of over collateralisation required by the rating agencies.

ROCKY 2021-1 SPV S.r.l. – Conegliano (TV)

The company was incorporated on 14 December 2020 pursuant to Law no. 130 of 30 April 1999, which has governed the implementation of securitisation transactions in Italy.

The Legislative Decree no. 141 of 2010, as amended, provides that special purpose vehicles for securitisation are set up in the form of joint stock companies.
Pursuant to the Bank of Italy's Provision of 7 June 2017 (effective from 30 June 2017), the company is enrolled in the List of Securitisation Vehicle Companies kept by the Bank of Italy.

In compliance with the Articles of Association and the provisions of the afore-mentioned law, the company has the exclusive purpose of carrying out one or more credit securitisation transactions through the acquisition for consideration of both existing and future pecuniary credits, financed through the issuance of securities.
In accordance with the provisions of the afore-mentioned law, the receivables relating to each securitisation transaction constitute assets that are segregated in all respects from those of the company and from those relating to the other transactions on which no actions are allowed by creditors other than the holders of the securities issued to finance the purchase of the afore-mentioned receivables.
Within the limits allowed by the provisions of Law no. 130/1999, the company may carry out the ancillary transactions to be stipulated for the successful completion of the securitisation transactions carried out by it, or in any case instrumental to the achievement of its corporate purpose, as well as transactions involving the reinvestment in other financial assets of the funds deriving from the management of the receivables acquired and not immediately used to satisfy the rights arising from the aforementioned securities.

As part of this purpose, the company completed a securitisation transaction in 2021. More specifically, on 20 April 2021, the company has acquired without recourse from Deutsche Bank S.p.A., pursuant to and by effect of the combined provisions of Art. 1 and Art. 4 of the Securitisation Law (Law no. 130/1999) and the articles of the Factoring Law (Law no. 52/1991) referred to therein, a portfolio of performing loans, arising from consumer credit agreements, originating from Deutsche Bank S.p.A.
The company financed the purchase of the receivables through the issue of "Asset Backed Securities", which took place on 30 April 2021, with limited recourse on purchased receivables. The ABS securities issued, senior and junior tranches, were repurchased in full by Deutsche Bank S.p.A.

The Financial Statements at 31 December 2024 show the vehicle broke even as the net operating costs have been recharged to the segregated assets.

As regards segregated assets, the following table shows the transactions that took place during the two-year period from 1 January 2023 to 31 December 2024.

Financial Year 2023
- On 16 January 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €158,508,272.49;
- on 13 February 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €163,713,590.73;
- on 13 March 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €162,719,374.34;
- on 17 April 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €174,107,564.50;
- on 15 May 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €159,368,892.08;
- on 12 June 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €171,596,369.81;
- on 10 July 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €166,567,921.13;
- on 14 August 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €160,593,297.60;
- on 11 September 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €151,530,969.07;
- on 16 October 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €159,992,113.71;

- on 13 November 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €166,852,540.35;
- on 11 December 2023, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €161,886,386.28.

Financial Year 2024
- On 15 January 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €151,376,218.47;
- on 12 February 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €162,087,562.34;
- on 11 March 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €167,221,388.93;
- on 15 April 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €175,381,630.25;
- on 13 May 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €177,078,023.11;
- on 17 June 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €176,373,510.48;
- on 15 July 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €167,655,221.48;
- on 16 September 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €317,811,955.80;
- on 14 October 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €165,768,918.74;
- on 11 November 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €173,510,813.32;
- on 16 December 2024, Deutsche Bank S.p.A. sold to the company a portfolio of performing loans for a total consideration of €158,890,093.99.

At 31 December 2024, the receivables recorded under assets of the company's segregated assets amounted to €4,076,786,978, while securities issued amounted to €4,282,300,000. The liquidity of the vehicle amounted to €195,783,642, almost entirely deposited in current accounts held with Deutsche Bank S.p.A.

With regard to the overall progress of the transaction, it should be noted that it is running smoothly and that no irregularities have emerged with respect to the contractual documentation.
In particular, with reference to payments in respect of securities, it should be noted that these took place in accordance with the order of priority of payments prepared by the Calculation Agent. During the year under review, the company duly paid the accrued interest on Class A securities in the amount of €17,888,889.

Other information

Treasury shares
Pursuant to current legislation, the number of treasury shares held, with a nominal value of €2.58 each, total €6,765,307 at 31 December 2024, equal to 4.23% of the share capital of the parent company, Deutsche Bank S.p.A.
In addition, there are 63,710 shares due to shareholders who have not yet withdrawn their shares from free capital increases and 27 shares to be assigned to former shareholders of Deutsche Asset Management Italy S.p.A.
Deutsche Bank Group companies do not hold shares of the holding company Deutsche Bank AG either directly or via trustees.

Research and development activities (Article 2428 of the Italian Civil Code)
The parent company and subsidiaries did not carry out research and development activities in 2024.

Use of financial instruments (Article 2428.6-bis of the Italian Civil Code)
As regards the use of financial instruments and the related risk management (credit risk, market risk and liquidity risk), reference should be made to Section E of the Notes to these Consolidated Financial Statements.

Transactions with the holding company and subsidiaries

The performance of the subsidiaries and their contribution to the Group’s overall results are described in this Management Board's Report. Related party transactions are detailed in Part H of the Notes to the Financial Statements.

Main risks and uncertainties to which the Deutsche Bank Group is exposed

As regards the main risks and uncertainties to which the Group is exposed, reference should be made to the information contained in the Notes to the Financial Statements, Part E, information on risks and related hedging policies.

Italian Legislative Decree no. 125 of 6 September 2024

Pursuant to Legislative Decree of 6 September 2024, companies falling within its scope of application are required, starting from financial years beginning on 1 January 2024, to include in their management reports information on the company's impact on sustainability issues and on how sustainability issues affect the group's development and performance.
The parent company Deutsche Bank S.p.A. avails itself of the exemption from individual sustainability reporting requirements provided for in Article 7, paragraph 1 of Decree Law no. 125 of 6 September 2024, as a subsidiary included in the consolidated non-financial statement issued by Deutsche Bank AG, with registered office in Frankfurt am Main (Germany).
Please refer to the information already provided on this subject in the Report of the Management Board of the parent company Deutsche Bank S.p.A.

Information on key intangible resources pursuant to Article 15 of Legislative Decree no. 125/2024

The sustainability reporting requirements that companies must fulfil in their management reports are not limited to the information contained in the sustainability report itself, but also include the provisions of Article 15 of Legislative Decree no. 125/2024 (hereinafter also referred to as the "decree"), namely that the management report of the financial statements and/or consolidated financial statements of large companies and listed SMEs must also include information on key intangible resources and explain how the company's business model fundamentally depends on them and how these resources constitute a source of value creation for the company.

Key intangible resources means resources without physical substance on which the business model of the undertaking fundamentally depends and which are a source of value creation for the undertaking. Identifying what these resources are is a complex task; the following conceptual frameworks provide definitions of these resources that are useful for better understanding the disclosure requirements of Article 15 of the Decree.

- Based on the conceptual framework provided by the International Integrated Reporting Framework, the following forms of capital can be represented:

  a) intellectual capital, which includes intangible assets corresponding to organisational capital and the value of knowledge;

  b) human capital, which concerns people's skills, expertise and experience, as well as their motivation to innovate;

  c) social and relational capital, i.e. institutions and relationships among or within communities, stakeholder groups and other networks, as well as the ability to share information in order to increase individual and collective well-being.

- The Intangible Reporting Framework of the WICI (World Intangible Capital Initiative), on the other hand, identifies categories of intangible assets, distinguishing among organisational capital, human capital, and relational capital, which represent the main sources of value creation for the organisation.

Finally, according to recital 32 of the CSRD, intangible resources are "information about employees’ skills, competences, experience, loyalty to the undertaking and motivation for improving processes" and "information about the quality of the relationships between the undertaking and its stakeholders, including customers, suppliers and communities affected by the activities of the undertaking".

This information is descriptive, i.e. qualitative rather than quantitative, and supplements the information on intangible assets described in the financial statements or sustainability report. Key intangible resources are, in other words, information of a broader nature than that relating to intangible assets included in the financial statements.

As already mentioned, key intangible resources are resources without physical substance on which the company's business model fundamentally depends and which directly or indirectly constitute a source of value creation in the short, medium and long term: these can generate strategic value linked to the improvement of the organisation's competitive, market, production, reputational and/or risk profile, as well as financial value linked to the generation of cash flows over time. Depending on the nature or method of acquisition, intangible resources acquired or generated by the company may or may not be relevant for the purposes of preparing the financial information contained in the financial statements. In particular, the statement of financial position includes, under Intangible assets, the portion of intangible resources that meet the criteria for recognition in the financial statements. For a description of the criteria for recognising and measuring intangible assets and for the related qualitative and quantitative information required by international accounting standards, please refer to the information provided in the notes to the financial statements.

In order to provide comprehensive information on key intangible resources, including those that do not meet the criteria for recognition and measurement for accounting purposes, Deutsche Bank refers to the two conceptual frameworks mentioned above, in particular the International Integrated Reporting Framework, which identifies "capitals" as the stocks of value on which success depends.

Intellectual capital is understood as the set of processes aimed at increasing the company's knowledge, starting with those that support the core banking business, and generating innovation (in the offer, operating models, technologies adopted, etc.).

Intellectual capital represents a fundamental and indispensable strategic asset for Deutsche Bank in implementing its business strategies and pursuing its ambitions for sustainable growth in the Italian economic context. This asset is continuously enriched thanks to constant innovation.

The parent company recognises that the ability to innovate by adapting quickly to technological developments is a critical success factor in an increasingly competitive and digitalisation-oriented market. For this reason, targeted and continuous investments in the enrichment of intellectual capital are considered a priority and are integrated into the parent company's Strategic Plan.

In particular, the "Technology, Data and Innovation" (TDI) function acts as a driving force for the growth of intellectual capital.

Its main mission in this area is:

- exploring and implementing new technological frontiers through analysis, prototyping, experimentation and implementation of new emerging technologies; TDI analyses and anticipates market trends by integrating cutting-edge solutions into processes and customer services. This approach aims to maintain the competitiveness of the parent company and offer added value to stakeholders;
- focusing with conviction on concrete projects related to Artificial Intelligence (AI), recognising its innovative potential. For this reason, it is investing in the internal development of skills and solutions that use AI, aiming for greater operational efficiency, better personalisation of the customer experience and more effective decision-making processes. Current initiatives include the study and testing of advanced predictive models, as well as the automation of high value-added activities.
- TDI is committed to developing technological solutions to ensure regulatory compliance (including Italian and European privacy regulations) and strengthening the trust of customers and partners.

In line with the parent company's Strategic Plan, TDI investments are directed towards:

- improving the understanding of customer needs and strengthening customer relationships. Through the use of predictive models and data analysis (thanks, for example, to the use of Big Data analytics), the parent company aims to personalise its offering and provide its customers with an increasingly satisfying and customer-centric experience. The parent company's data-driven approach aims to anticipate the needs of the Italian market by responding effectively to the expectations of current and future customers;
- enhancing technical excellence and the effectiveness of key processes: the adoption of Big Data analytics and other advanced technologies allows for the optimisation of crucial processes such as pricing and underwriting, improving operational efficiency

and resulting in greater competitiveness and more effective and efficient risk management;

- developing innovative solutions for prevention and protection: the parent company invests in the creation of technological solutions to support risk prevention, with a particular focus on customer identity (e.g. Cloud IDP), privacy, and AML. This commitment is also essential to ensure operational continuity and business sustainability in the medium and long term.

Deutsche Bank believes that continued investment in intellectual capital, particularly in the areas described above, is essential to addressing market challenges, seizing the opportunities offered by digital transformation and generating sustainable value for stakeholders over the long term.

Human capital encompasses people's skills, expertise and experience, their level of engagement, continuous training and ability to adapt to new technologies, sharing and supporting Deutsche Bank Group governance and values.

Deutsche Bank confirms its commitment to investing in strengthening human capital, with the aim of promoting the professional growth, development and well-being of its people. This commitment is demonstrated by a broad portfolio of initiatives, projects, benefits and systems, whose objective is precisely to put the employee at the centre, so that they can work in the best possible conditions in terms of organisational well-being, corporate climate and culture, recognition mechanisms and opportunities for development and growth.

Performance management

For Deutsche Bank, the performance evaluation process is a crucial moment that lays the foundations for the professional growth of employees.

During 2024, the performance evaluation system, which is an integral part of the human resources management and development system, was modified with the introduction of a new, more granular evaluation scale that allows for more effective recognition of meritocracy and the contribution that each individual employee makes to the Bank in achieving its strategic objectives.

The objective of the performance evaluation system is to create an environment that promotes motivation, commitment and a sense of belonging among the group's employees, reinforcing the link between performance and its sustainability and ensuring compliance with the Bank's Code of Conduct.

The evaluation process was designed to:

- ensure greater transparency, fairness and accuracy;
- encourage a gender-neutral approach;
- ensure compliance with legal and regulatory requirements;
- prevent an inappropriate approach to risks by incorporating control mechanisms.

Well-being

To this end, over the last year, several initiatives have been introduced and enhanced to support employees, in addition to a number of particularly advantageous benefits, including the company's contribution to supplementary pension schemes, health insurance coverage (renewed in 2024 for middle managers and professional staff, with improved conditions), as well as preferential terms on banking products and services.
New welfare measures have also been introduced, such as leave for childcare settling-in and paternity leave, while existing support measures for family members with disabilities, scholarships and psychological support have been maintained.
With a view to organisational well-being, Deutsche Bank has maintained its focus on remote working as a way of working and as a tool for greater organisational flexibility. The Future of Work programme, introduced in 2021, has continued to evolve based on guidelines provided by the ultimate parent company. Over the last few years, the Bank has been committed to extending the benefits of remote working to as many facilities and employees as possible, in line with the characteristics of the work required by the various roles and facilities, the configuration of the workplaces, the Group's guidelines, and the provisions of the National Collective Labour Agreement in force at the time.
Finally, constructive dialogue with trade unions has led to the establishment of innovative agreements on access to part-time work and a "time bank" (annual pool of paid leave for employees who need it to deal with serious and verified family and/or personal situations) with the aim of ensuring a better work-life balance.

For several years now, Deutsche Bank has also been implementing a welfare plan aimed at professional staff and middle managers, which offers them the opportunity to benefit from a range of goods, services, agreements and benefits that are constantly being expanded and updated.

Diversity, Equity & Inclusion (DE&I)

As provided for in the Diversity, Equity & Inclusion Policy introduced in 2023, Deutsche Bank supports a stimulating, inclusive work environment that respects all forms of diversity, encourages participation and is inspired by principles of fairness, freedom and dignity in professional relationships. The objective is to continue to foster the creation of a work environment in which all forms of diversity are welcomed and valued, promoting people's well-being and recognising their contribution, regardless of their personal characteristics.
For Deutsche Bank, 2024 was a year of consolidation for the many initiatives launched, particularly in the area of Diversity, Equity & Inclusion, in line with its values, with a particular focus on investments in the development, growth and management of its people. 2024 also saw the establishment of the DE&I Council at local level, with the aim of ensuring adequate governance, as well as oversight and monitoring of all DE&I issues and the schedule of planned events.

In 2024, the Bank has obtained gender equality certification. This issue has now taken on great importance at institutional, national and international level, from the UN 2030 Agenda to European guidelines, and requires radical action to overcome gender stereotypes and sources of inequality. According to the National Strategy on Gender Equality 2021-2025, inspired by the European Union's Gender Equality Strategy 2020-2025 and closely linked to the National Recovery and Resilience Plan (NRRP), in line with the Diversity, Equity & Inclusion (DE&I) Policy, Deutsche Bank is actively implementing sustainable projects to promote an inclusive culture that values diversity.

In order to obtain gender certification, organisations must comply with the parameters set out in the UNI/PdR 125:2022 reference standard. Therefore, a "Gender Equality Management System" has been implemented, designed to define and describe the rules and structure within which all specific requirements must be included. The Management System serves to ensure compliance with the requirements of UNI/PdR 125:2022 over time and to ensure, from an operational point of view, a consistent and coordinated approach within the organisation.

Developing an inclusive workplace requires constant commitment and input from the entire organisation in terms of language, processes, organisational practices and behaviour. In order to ensure that this can be achieved, six areas of indicators have been identified relating to the different variables that can characterise an inclusive and gender-equal organisation:

- culture and strategy;
- governance;
- HR processes;
- opportunities for the growth and inclusion of women in the company;
- remunerative equity by gender;
- protection of parenting and work-life balance.

This process aims to recognise the aforementioned path towards an inclusive culture that values diversity, which in turn can have a positive impact on the organisation's reputation by demonstrating its commitment to DE&I issues. These principles and the commitment to these issues have been set out in the DE&I Policy, which has respect, talent development, meritocracy and equal opportunities as its core values.

With a view to inclusion, for example, Deutsche Bank has worked to raise awareness among its employees by organising a number of events and webinars focusing on topics such as disability, LGBTQIA+ issues, gender equality, intergenerational diversity, organisational well-being and family caring. Examples include events organised to mark International Women's Day, the Day for Combating Violence against Women and World Children's Day, the Freedom Microcredit Project (aimed at providing subsidised credit to women who suffer violence) and various workshops and conferences on the various topics covered by the DE&I Policy.

Training and Development

As part of corporate strategies and policies and related professional development needs, the HR Learning and Development department ensures that employees' personal and professional skills are consistent with strategic and business developments, supports staff development and growth processes, and helps to spread and apply a corporate culture consistent with its mission, values and business objectives.

The training programmes are aimed at the entire workforce (without any discrimination based on gender, ethnic origin, religion, disability, age or sexual orientation) and at the promotion of diversity, equity and inclusion, fostering a consistent and sustainable approach throughout the entire career path.

Depending on specific roles and related development paths, HR Learning & Development establishes and updates a comprehensive catalogue of training activities of various types, according to the global classification: Personal Development, Product & Technical Training, Management Development Training. The local training programme in Italian on these topics is supplemented by global initiatives, generally in English, available on the Mandatory Training & Learning History platform.
In 2024, the parent company continued to invest in the development of its resources, providing approximately 87,000 hours of training (corresponding to 3,024 actual participants and an average of approximately 28.77 hours per capita), including:

- approximately 17,000 hours of funded training;
- approximately 10,000 hours of training on Health & Safety;
- around 13,000 hours of training on anti-corruption and transparency;
- approximately 38,000 hours of MIFID/IVASS training.

In addition to providing its employees with an increasingly diverse and up-to-date training programme based on organisational needs, Deutsche Bank strongly believes in the internal mobility (both locally and internationally) of its employees. In 2024, under certain organisational conditions, internal mobility continued to support the parent company in achieving its staffing objectives, while at the same time supporting the desire and aspirations of its employees for vertical or horizontal growth.

Social and relational capital includes the relations with key stakeholders, the ability to share information in order to increase individual and collective well-being, the trust built between the Group and its stakeholders, its reputation and its level of long-term relationship management.

In line with its approach to sustainability/ESG, the parent company is aware of the importance of allocating resources correctly and responsibly, according to social and environmental sustainability criteria. It promotes investments and activities focused on sustainability that enhance interests such as conservation of the natural environment, combating climate change, health, employment, the well-being of the entire community, and safeguarding the system of social relations. Particular attention is also paid to reputational risks due to their potential impact on long-term value creation.

Deutsche Bank is committed to supporting its customers in their transition to sustainability by providing them with thought leadership, advice and solutions to help them make a positive impact on the world. This is achieved through a service model that aims to inform customers and suggest investment solutions consistent with the principles of sustainability and social impact. It also seeks to play an active role in financial consulting that supports a number of environmental "sustainability" factors, such as reducing environmental pollution and safeguarding "fundamental" human rights.

Tax litigation of the parent company

The Revenue Agency's disputes regarding the following matters are still pending for the years 2016 and 2017: the non-deductibility of costs for interest rate risk hedging instruments deemed by the Agency to be uneconomic; the excessive cost of a commission for a guarantee provided by another DB Group company; the restatement of intercompany prices relating to commissions for the placement of financial products. These are findings deemed unfounded by the Bank and for which a negative outcome of the dispute is considered unlikely. Consequently, no provisions were made. During 2024, the Agency announced the draft assessment for 2018, concerning the same findings as the previous two years, which is expected to be notified in 2025.

The dispute relating to IRES for 2008, relating to transfer pricing issues, is still pending before the Court of Cassation.

Other information

In preparing these Financial Statements, the request made jointly by Bank of Italy, Consob and Isvap, through document no. 4 of 3 March 2010, regarding accurate and exhaustive application of the regulations and the accounting standards was taken into account. There is nothing else significant to report.

Events after the reporting period and outlook

We acknowledge that, following an analysis of the Group's ability to continue as a going concern, considering both the Consolidated Financial Statements under analysis and the foreseeable future evolution of the Group's management, there are no doubts regarding the continuation of the business activity.

Deutsche Bank S.p.A.

Report of the independent auditors pursuant to Article 14 of Legislative Decree no. 39 of 27 January 2010 and Article 10 of Regulation (EU) no. 537/2014

Consolidated Financial Statements at 31 December 2024

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Report of the independent auditors pursuant to Article 14 of Legislative Decree no. 39 of 27 January 2010 and Article 10 of Regulation (EU) no. 537/2014

To the shareholders of Deutsche Bank S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Deutsche Bank S.p.A. Banking Group (hereinafter also referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended and the notes to the consolidated financial statements, which also include relevant information on the accounting standards applied.
In our opinion, the consolidated financial statements give a true and fair view of the equity and financial position of the Group at 31 December 2024, of its economic results and its cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the provisions issued in implementation of Article 9 of Legislative Decree no. 38/2005 and Article 43 of Legislative Decree no. 136/2015.

Basis for the opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the section *Independent auditors' responsibilities for the audit of the consolidated financial statements* of this report. We are independent of Deutsche Bank S.p.A. (hereinafter also referred to as the "Bank" or the "Parent Company") in compliance with the rules and principles on ethics and independence applicable in the Italian legal system to the audit of the financial statements. 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 opinion, were most significant in the audit of the consolidated financial statements for the year under review. We have addressed these matters in our audit and in forming our opinion on the consolidated financial statements as a whole; accordingly, we do not express a separate opinion on them.

Forvis Mazars S.p.A.
Resolved, subscribed and paid-up share capital € 120,000 - Registered office: Via Ceresio, 7 - 20154 Milan
Rea MI-2076227 - Tax Code and VAT no. 11176691001
Enrolled in the Register of Auditors no. 163788 with Ministerial Decree of 14/07/2011 Official Gazette no. 57 of 19/07/2011

Classification and measurement of financial assets measured at amortised cost – loans and receivables with customers

for further details, please refer to:

Notes to the consolidated financial statements "Part A - Accounting Policies": paragraph A.2.3 "Financial assets measured at amortised cost".

Notes to the consolidated financial statements "Part B - Notes to the consolidated statement of financial position – Assets": Section 4 "Financial assets measured at amortised cost – b) Loans and receivables with customers"

Notes to the consolidated financial statements "Part C - Notes to the consolidated income statement": Section 8.1 "Net value adjustments for credit risk relating to financial assets measured at amortised cost: breakdown".

Notes to the consolidated financial statements "Part E - Risks and related hedging policies": Section 1 "Credit Risk".

Description of the key audit matters	**Audit procedures performed**
Financial assets measured at amortised cost – loans and receivables with customers at 31 December 2024 amounted to €19,824 million, net of specific and portfolio value adjustments totalling €671 million. Net value adjustments on loans and receivables with customers charged to the income statement for the year ended 31 December 2024 amounted to €178 million. The classification and measurement criteria are explained in Part A of the Notes to the financial statements and include a description of the method used for calculating value adjustments. This item is relevant for audit purposes both in view of its significance, representing about 65% of total assets, and with reference to the intrinsic complexity of the process of determining value adjustments. The latter takes into account the breakdown of loans into homogeneous risk categories, as well as the calculation of the discounted recoverable value on a historical-statistical basis. For these reasons, we have considered the classification and measurement of loans and receivables with customers recognised in financial assets measured at amortised cost to be a key audit matter.	To address this key aspect, the audit approach adopted has involved the performance of the following main procedures: • understanding and assessment of the set of organisational structures and controls provided for by the internal control system, including those relating to the IT system with reference to the disbursement, monitoring, classification and measurement of the loans and receivables with customers; • verification, by means of compliance surveys, of the key controls identified, with particular reference to the controls on historical and statistical models implemented by the Group; • performance of procedures for the comparative analysis of the loan portfolio and value adjustments, taking into account the evolution of write-downs made periodically for each product and discussion of the results with the corporate functions involved; • analysis of the classification criteria adopted in order to allocate loans and receivables with customers to the homogeneous risk categories provided for in IFRS 9 (so-called "staging"); • reconciliation of the management archives and in particular those relating to gross exposure, impairment provision and consequent reconciliation of the net exposure with the accounting data; • analysis of the analytical and flat-rate valuation policies and models used and assessment of the reasonableness of the main assumptions and variables contained therein; • selection of a sample of analytically measured loans and assessment of the reasonableness of the identified impairment indicators and of the assumptions regarding recoverability, including on the basis of any guarantees received; • analysis of the appropriateness of financial statement disclosures for loans and receivables with customers recognised under financial assets measured at amortised cost.

Responsibilities of the Directors and Supervisory Board of Deutsche Bank S.p.A. for the consolidated financial statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree no. 38/2005 and Article 43 of Legislative Decree no. 136/2015 and, within the limits of the law, for that part of the internal control they consider necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or errors.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosures. The Directors use the going concern assumption in preparing the consolidated financial statements unless they have assessed that the conditions for liquidation of the Parent Company or for discontinuance of operations exist or they have no realistic alternative to those choices.

The Supervisory Board is responsible for overseeing, within the terms of the law, the Group's financial reporting process.

Independent auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free from material misstatements, whether due to fraud or errors, and to issue an audit report that includes our opinion. Reasonable assurance is defined as a high level of assurance which, however, does not provide the guarantee that an audit performed in accordance with International Standards on Auditing (ISA Italia) will always identify a material misstatement, if any. Misstatements may arise from fraud or errors and are considered material if they could reasonably be expected, individually or collectively, to influence the economic decisions of users made on the basis of the consolidated financial statements.

In carrying out the audit in accordance with International Standards on Auditing (ISA Italia) we have exercised professional judgement and maintained professional scepticism throughout the audit. In addition:

• we have identified and assessed the risks of material misstatements in the consolidated financial statements, whether due to fraud or errors; we have defined and performed audit procedures in response to those risks; and we have obtained sufficient appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from errors, because fraud may involve collusion, falsification, intentional omission, misrepresentation, or manipulation of the internal control;

• we have obtained an understanding of internal control relevant to the audit for the purpose of defining audit procedures that are appropriate in the circumstances and not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

• we have assessed the appropriateness of the accounting standards used and the reasonableness of the accounting estimates made by the Directors, including the related disclosures;

• we have concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the acquired audit evidence, on whether there is a material uncertainty about events or circumstances that may cast significant doubt about the Group's ability to continue to operate as a going concern. When a material uncertainty exists, we are required to draw attention in the audit report to the relevant financial statement disclosures or, if such disclosures are inadequate, to reflect that fact in our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may result in the Group ceasing to operate as a going concern;

• we have assessed the presentation, structure and content of the consolidated financial statements as a whole, including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in such a way as to provide a fair representation;

• we have obtained sufficient and appropriate evidence regarding the financial information of the companies or the various economic activities carried out within the Group to express an opinion on the consolidated financial statements. We are responsible for directing the supervision and carrying out the audit of the Group. We are the only responsible for the audit opinion on the consolidated financial statements.

We have communicated to those responsible for governance activities, identified at an appropriate level as required by ISA Italia, among other matters, the planned scope and timing of the audit and the significant findings, including any significant deficiencies in internal control identified during the audit.

We have also provided those responsible for governance activities with a declaration that we have complied with the ethics and independence rules and applicable principles pursuant to Italian law and have disclosed to them any situation that might reasonably have an effect on our independence and, where applicable, the actions taken to eliminate the related risks or the safeguards applied.

Among the matters communicated to those responsible for governance activities, we identified those that were most relevant in the audit of the consolidated financial statements under review, which therefore constituted the key audit matters. We have described these matters in the audit report.

Other information disclosed pursuant to Article 10 of Regulation (EU) 537/2014

On 29 April 2019, the Shareholders' Meeting of Deutsche Bank S.p.A. appointed us as independent auditors of the financial statements of the Bank and the consolidated financial statements of the Group for the financial years from 31 December 2019 to 31 December 2027.

We declare that no services other than auditing, as prohibited under Article 5(1) of Regulation (EU) 537/2014, were provided and that we remained independent of the Bank in performing the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is in line with that provided in the additional report to the Internal Control Committee, in its capacity as the internal control and audit committee, prepared pursuant to Article 11 of the afore-mentioned Regulation.

Report on compliance with other laws and regulations

Opinion in accordance with Article 14, paragraph 2, letter e), e-bis), e-ter) of Legislative Decree no. 39/10

The Directors of Deutsche Bank S.p.A. are responsible for the preparation of the management report of the Deutsche Bank S.p.A. Group at 31 December 2024, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures specified in Auditing Standard (SA Italia) no. 720B in order to:

• express an opinion on the consistency of the management report with the consolidated financial statements of Deutsche Bank S.p.A. Group at 31 December 2024

• express an opinion on the compliance with the law of the management report

• issue a statement on any material misstatement in the management report.

In our opinion, the management report is consistent with the Deutsche Bank S.p.A. Group financial statements at 31 December 2024 and was prepared in accordance with the law.

In addition, in our opinion, the management report was prepared in compliance with the law.

With reference to the statement referred to in Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10, issued on the basis of the knowledge and understanding of the company and its context acquired in the course of the audit, we have nothing to report.

Milan, 24 March 2025

Forvis Mazars S.p.A.

Marco Lumeridi
Partner - Auditor

2024 Consolidated Financial Statements

Application of IAS/IFRS and structure of the Financial Statements

Financial Statements tables

Consolidated Financial Statements at 31 December 2024

Application of IAS/IFRS and structure of Financial Statements

The Consolidated Financial Statements at 31 December 2024 have been prepared using IFRS. In this regard, the following should be noted:
- since 1 January 2005, Italian banks that are parent companies of banking groups enrolled in the Register referred to in Article 64 of the T.U.B. have been required to prepare their financial statements in accordance with IAS/IFRS international accounting standards; for Italian banks, this obligation applies both to companies whose shares were listed on European Union markets and for those whose securities were not listed;
- Article 1, paragraph 1070 of Law no. 145 of 30 December 2018 had introduced into Legislative Decree no. 38/2005 (1) a new Article 2-bis, according to which entities that were previously required to apply, in the preparation of their financial statements, international accounting standards could apply such standards on an optional basis if they did not have securities admitted to trading on a regulated market. Pursuant to the following paragraph 1071, this option started from the financial year preceding the entry into force of the new rule (i.e., the financial year ended or in progress at 31 December 2018). As in the year 2019, the Deutsche Bank Group has continued to apply international accounting standards for the financial year 2020 and onwards;
- the IAS (International Accounting Standards) are issued by the International Accounting Standards Board (IASB). Standards issued after July 2002 are called IFRS (International Financial Reporting Standards).

The financial statements formats used in these consolidated financial statements are consistent with those included by Banca d’Italia in its Circular no. 262 of 22 December 2005 and subsequent eighth update published on 17 November 2022 and additional updates and amendments.

Therefore, these Consolidated Financial Statements consist of the following documents:
- Consolidated statement of financial position and consolidated income statement;
- Consolidated statement of comprehensive income;
- Consolidated statement of changes in equity for 2024 and 2023;
- Consolidated statement of cash flows;
- Notes to the Consolidated Financial Statements.

They are accompanied by the Management Board's Report on the economic performance and financial position of all the companies included in the scope of consolidation.
A reconciliation statement between the parent company's shareholders' equity and profit for the year and the consolidated shareholders' equity and profit for the year is also presented in the Management Board's Report.

For the purpose of preparing the statement of cash flows, coupon payments related to the AT1 capital instrument made in 2024 and 2023 have been reported under funding activities as "dividend distributions and other purposes".

It should be noted that compared to the previous year 2023, there have been no changes in the accounting standards applied in the past, nor have new accounting standards been introduced.

Consolidated Statement of Financial Position

Assets				
in thousands of euro			Changes	
	31/12/2024	31/12/2023	Amount	%
10. Cash and cash equivalents	4,882,298	3,719,860	1,162,438	31.25
20. Financial assets measured at fair value through profit or loss	106,863	136,541	(29,678)	(21.74)
a) financial assets held for trading	67,063	95,818	(28,755)	(30.01)
b) financial assets designated at fair value	-	-	-	-
c) other financial assets mandatorily measured at fair value	39,800	40,723	(923)	(2.27)
40. Financial assets measured at amortised cost	24,246,714	27,187,559	(2,940,845)	(10.82)
a) loans and receivables with banks	4,422,634	6,987,826	(2,565,192)	(36.71)
b) loans and receivables with customers	19,824,080	20,199,733	(375,653)	(1.86)
50. Hedging derivatives	4,483	5,007	(524)	(10.47)
90. Property, equipment and investment property	214,143	200,835	13,308	6.63
100. Intangible assets	25,916	29,226	(3,310)	(11.33)
of which:				
- goodwill	-	-	-	-
110. Tax assets	316,853	379,082	(62,229)	(16.42)
a) current	129,233	114,258	14,975	13.11
b) prepaid	187,620	264,824	(77,204)	(29.15)
130. Other assets	877,868	884,663	(6,795)	(0.77)
Total assets	**30,675,138**	**32,542,773**	**(1,867,635)**	**(5.74)**

Chairman of the Management Board and
Chief Executive Officer

Chief Accounting Officer

Liabilities and equity items				
in thousands of euro			Changes	
	31/12/2024	31/12/2023	Amount	%
10. Financial liabilities measured at amortised cost	26,906,560	29,393,572	(2,487,012)	(8.46)
a) due to banks	11,819,746	14,948,119	(3,128,373)	(20.93)
b) due to customers	14,961,179	14,217,885	743,294	5.23
c) securities issued	125,635	227,568	(101,933)	(44.79)
20. Financial liabilities held for trading	69,354	96,113	(26,759)	(27.84)
60. Tax liabilities	1,089	1	1,088	n.s.
a) current	1	1	-	-
b) deferred	1,088	-	1,088	n.s.
80. Other liabilities	596,407	535,473	60,934	11.38
90. Post-employment benefits	7,787	9,649	(1,862)	(19.30)
100. Provisions for risks and charges:	93,700	132,668	(38,968)	(29.37)
a) commitments given and guarantees issued	20,317	31,676	(11,359)	(35.86)
b) pension and similar obligations	1,479	1,230	249	20.24
c) other provisions for risks and charges	71,904	99,762	(27,858)	(27.92)
120. Valuation reserves	1,876	2,079	(203)	(9.76)
140. Equity instruments	425,000	145,000	280,000	193.10
150. Reserves	1,712,376	1,288,287	424,089	32.92
160. Share premium	331,959	331,959	-	-
170. Share capital	412,154	412,154	-	-
180. Treasury shares (-)	(3,516)	(3,516)	-	-
190. Equity attributable to non-controlling interests (+/-)	11	11	-	-
200. Profit (loss) for the year (+/-)	120,381	199,323	(78,942)	(39.61)
Total liabilities and equity	**30,675,138**	**32,542,773**	**(1,867,635)**	**(5.74)**

Chairman of the Management Board and
Chief Executive Officer

Chief Accounting Officer

Consolidated Income Statement

in thousands of euro	Financial Year 2024	Financial Year 2023	Changes Amount	Changes %
10. Interest and similar income	1,266,560	1,156,528	110,032	9.51
of which: interest income calculated using the effective interest method	551,901	490,989	60,912	12.41
20. Interest and similar expense	(575,930)	(450,141)	(125,789)	27.94
30. Net interest income	**690,630**	**706,387**	**(15,757)**	**(2.23)**
40. Fee and commission income	408,732	390,540	18,192	4.66
50. Fee and commission expense	(56,200)	(86,967)	30,767	(35.38)
60. Net fee and commissions	**352,532**	**303,573**	**48,959**	**16.13**
70. Dividends and similar income	1,730	903	827	91.58
80. Net trading income (expense)	1,982	(58)	2,040	n.s.
90. Net hedging income (expense)	12	66	(54)	(81.82)
100. Gains (losses) from sale or repurchase of:	5,076	(146)	5,222	n.s.
a) financial assets measured at amortised cost	1,057	(146)	1,203	(823.97)
c) financial liabilities	4,019	-	4,019	n.s.
110. Net gains (losses) from other financial assets and liabilities measured at fair value through profit or loss:	6,479	5,874	605	10.30
b) other financial assets mandatorily measured at fair value	6,479	5,874	605	10.30
120. Total income	**1,058,441**	**1,016,599**	**41,842**	**4.12**
130. Net value adjustments/write-backs for credit risk related to:	(178,208)	(126,112)	(52,096)	41.31
a) financial assets measured at amortised cost	(178,208)	(126,112)	(52,096)	41.31
140. Gains (losses) from contractual changes without derecognitions	(307)	(400)	93	(23.25)
150. Net financial income	**879,926**	**890,087**	**(10,161)**	**(1.14)**
180. Net financial and insurance income	**879,926**	**890,087**	**(10,161)**	**(1.14)**
190. Administrative expenses:	(647,038)	(679,818)	32,780	(4.82)
a) personnel expenses	(329,861)	(316,804)	(13,057)	4.12
b) other administrative expenses	(317,177)	(363,014)	45,837	(12.63)
200. Net accruals to provisions for risks and charges	11,768	(18,377)	30,145	(164.04)
a) commitments given and guarantees issued	11,303	(7,969)	19,272	(241.84)
b) other net provisions	465	(10,408)	10,873	(104.47)
210. Net value adjustments/write-backs on property, equipment and investment property	(37,000)	(39,657)	2,657	(6.70)
220. Net value adjustments/write-backs on intangible assets	(7,845)	(8,013)	168	(2.10)
230. Other operating income/expense	(12,507)	(3,688)	(8,819)	239.13
240. Operating costs	**(692,622)**	**(749,553)**	**56,931**	**(7.60)**
250. Gains (losses) from equity investments	-	4,851	(4,851)	(100.00)
280. Gains (losses) from sale of investments	(6)	(208)	202	(97.12)
290. Pre-tax profit (loss) from continuing operations	**187,298**	**145,177**	**42,121**	**29.01**
300. Income taxes for the year from continuing operations	(66,917)	54,146	(121,063)	(223.59)
310. Post-tax profit (loss) from continuing operations	**120,381**	**199,323**	**(78,942)**	**(39.61)**
330. Profit (Loss) for the year	**120,381**	**199,323**	**(78,942)**	**(39.61)**
340. Profit (loss) for the year attributable to non-controlling interests	-	-	-	-
350. Profit (loss) for the year attributable to the parent company	**120,381**	**199,323**	**(78,942)**	**(39.61)**

Chairman of the Management Board and Chief Executive Officer

Chief Accounting Officer

Consolidated Statement of Comprehensive Income

in thousands of euro

Items		Financial Year 2024	Financial Year 2023
10	**Profit (Loss) for the year**	**120,381**	**199,323**
	Other comprehensive income, net of income taxes, not reclassified to income statement		
20.	Equity securities designated at fair value through other comprehensive income	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40.	Hedges of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, equipment and investment property	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	(203)	475
80.	Non-current assets and groups of assets held for sale	-	-
90.	Portion of valuation reserves of equity investments valued with the equity method	-	-
100.	Revenues or costs of a financial nature relating to insurance contracts issued	-	-
	Other comprehensive income, net of income taxes, reclassified to income statement		
110.	Hedges of foreign investments	-	-
120.	Exchange rate gains (losses)	-	-
130.	Cash flow hedges	-	-
140.	Hedging instruments (non-designated elements)	-	-
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
160.	Non-current assets and groups of assets held for sale	-	-
170.	Portion of valuation reserves of equity investments valued with the equity method	-	-
180.	Revenues or costs of a financial nature relating to insurance contracts issued	-	-
190.	Revenues or costs of a financial nature relating to outwards reinsurance	-	-
200.	**Total comprehensive income, net of income taxes**	(203)	475
210.	**Comprehensive income (items 10 + 200)**	**120,178**	**199,798**
220.	Consolidated comprehensive income attributable to non-controlling interests	-	-
230.	**Consolidated comprehensive income attributable to the parent company**	**120,178**	**199,798**

Chairman of the Management Board and
Chief Executive Officer

Chief Accounting Officer

Consolidated Statement of Changes in Equity

Changes in consolidated equity for the years 2024 and 2023 are shown below.

in thousands of euro	Balance at 31 December 2023	Change to opening balances (FTA IFRS 9)	Balance at 1 January 2024	Allocation of prior year profit		Changes in the year								Equity attributable to the Group at 31 December 2024	Equity attributable to non-controlling interests at 31 December 2024
							Equity transactions								
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Repurchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income 2024		
Share capital															
a) ordinary shares	412,165		412,165	-		-	-	-						412,154	11
b) other shares	-		-	-			-	-							
Share premium	331,959		331,959	-		-	-							331,959	-
Reserves:															
a) profit	606,614	-	606,614	142,719	-	(8,630)	-	-	-					740,703	-
b) other	681,673	-	681,673	-		290,000	-		-		-	-		971,673	-
Valuation reserves	2,079	-	2,079			-							(203)	1,876	-
Equity instruments	145,000		145,000							280,000				425,000	-
Treasury shares	(3,516)		(3,516)				-	-						(3,516)	-
Profit (Loss) for the year	199,323	-	199,323	(142,719)	(56,604)								120,381	120,381	
Equity attributable to the Group	2,375,286	-	2,375,286	-	(56,604)	281,370	-	-	-	280,000	-	-	120,178	3,000,230	-
Equity attributable to non-controlling interests	11	-	11	-	-	-	-	-	-		-	-	-	-	11

In the column "Changes in the reserves", the negative amount of €8,630 thousand includes the debit to reserves of €5,966 thousand related to the payment, during the year, of the coupon on the AT1 capital instrument for €8,229 thousand, net of the related tax benefit of €2,263 thousand.

Chairman of the Management Board and Chief Executive Officer

Chief Accounting Officer

in thousands of euro	Balance at 31 December 2022	Change to opening balances (FTA IFRS 9)	Balance at 1 January 2023	Allocation of prior year profit		Changes in the year								Equity attributable to the Group at 31 December 2023	Equity attributable to non-controlling interests at 31 December 2023
							Equity transactions								
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Repurchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income 2023		
Share capital															
a) ordinary shares	412,165		412,165	-		-	-	-						412,154	11
b) other shares	-		-	-			-	-							
Share premium	331,959		331,959	-		-	-							331,959	-
Reserves:															
a) profit	503,854	-	503,854	109,713	-	(6,953)	-	-	-					606,614	-
b) other	681,673	-	681,673	-		-	-		-		-	-		681,673	-
Valuation reserves	1,604	-	1,604			-							475	2,079	-
Equity instruments	145,000		145,000											145,000	-
Treasury shares	(3,516)		(3,516)				-	-						(3,516)	-
Profit (Loss) for the year	259,638	-	259,638	(109,713)	(149,925)								199,323	199,323	
Equity attributable to the Group	2,332,366	-	2,332,366	-	(149,925)	(6,953)	-	-	-	-	-	-	199,798	2,375,286	-
Equity attributable to non-controlling interests	11	-	11	-	-	-	-	-	-		-	-	-	-	11

In the column "Changes in the reserves", the negative amount of €6,953 thousand includes the debit to reserves of €5,966 thousand related to the payment, during the year, of the coupon on the AT1 capital instrument for €8,229 thousand, net of the related tax benefit of €2,263 thousand.

Chairman of the Management Board and Chief Executive Officer

Chief Accounting Officer

Consolidated Statement of Cash Flows
Indirect method

A. OPERATING ACTIVITIES in thousands of euro	*Financial Year* 2024	*Financial Year* 2023
1. Operations	**393,786**	**336,176**
- profit (loss) for the year (+/-)	120,381	199,323
- gains/losses on financial assets held for trading and on other assets/liabilities measured at fair value through profit or loss (-/+)	(4,583)	(2,725)
- gains/losses on hedging activities (-/+)	(12)	(66)
- net value adjustments/write-backs for credit risk (+/-)	178,208	126,112
- net value adjustments/write-backs on property, equipment and investment property and	44,845	47,670
- net accruals to provisions for risks and charges and other costs/revenue (+/-)	(11,459)	18,696
- outstanding taxes and tax credits (+/-)	66,917	(54,146)
- other adjustments (+/-)	(511)	1,312
2. Cash flows generated/used by financial assets	**2,814,083**	**(2,415,981)**
- financial assets held for trading	26,859	74,255
- financial assets designated at fair value	-	-
- other assets mandatorily measured at fair value	7,402	1,259
- financial assets measured at amortised cost	2,762,637	(2,462,167)
- other assets	17,185	(29,328)
3. Cash flows generated/used by financial liabilities	**(2,480,739)**	**2,281,885**
- financial liabilities measured at amortised cost	(2,486,428)	2,551,067
- financial liabilities held for trading	(26,759)	(74,392)
- financial liabilities designated at fair value	-	-
- other liabilities	32,448	(194,790)
Net cash flows generated/used by operating activities	**727,130**	**202,080**
B. INVESTING ACTIVITIES		
1. Cash flows generated/used by	**-**	**11,400**
- sales of equity investments	-	11,400
- dividends collected on equity investments	-	-
- sales of property, equipment and investment property	-	-
- sales of intangible assets	-	-
- sales of subsidiaries and business units	-	-
2. Cash flows used by	**(69,969)**	**(22,973)**
- purchases of equity investments	-	-
- purchases of property, equipment and investment property	(65,435)	(18,477)
- purchases of intangible assets	(4,534)	(4,496)
- purchases of subsidiaries and business units	-	-
Net cash flows generated/used by investing activities	**(69,969)**	**(11,573)**
C. FINANCING ACTIVITIES		
- issue/purchase of treasury shares/capital contributions	290,000	-
- issue/purchase of equity instruments	280,000	-
- dividend and other distributions	(64,833)	(158,153)
Net cash flows generated/used by financing activities	**505,167**	**(158,153)**
TOTAL NET CASH FLOWS GENERATED/USED IN THE YEAR	**1,162,328**	**32,354**

RECONCILIATION -

Financial statement items

Opening cash and cash equivalents	3,719,860	3,687,543
Total net cash flows generated/used in the year	1,162,328	32,354
Cash and cash equivalents: effect of changes in exchange rates	110	(37)
CLOSING CASH AND CASH EQUIVALENTS	**4,882,298**	**3,719,860**

KEY:
(+) generated
(–) used

Chairman of the Management Board and Chief Executive Officer

Chief Accounting Officer

Notes to the Consolidated Financial Statements at 31 December 2024

Part A – Accounting policies

A.1 General part

Section 1 – Statement of compliance with International Accounting Standards

The Consolidated Financial Statements of the Group have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission with EC Regulation no. 1606 of 19 July 2002.
The Consolidated Financial Statements as at 31 December 2024 were prepared on the basis of the instructions issued by the Bank of Italy in Circular no. 262/05 and its eighth update (although applicable to financial statements closed or in progress as at 31 December 2023) of 17 November 2022, "Bank Financial Statements: formats and compilation rules", and also took into account further notes and information on the subject communicated by the Bank of Italy: in this regard, to be noted is the communication of 14 March 2023 relating to the "Updating supplements to the provisions of Circular no. 262 'Bank financial statements: formats and compilation rules' concerning the impacts of COVID-19 and measures to support the economy".
These instructions are mandatory for the format and content of the financial statements schedules and the content of the notes.
The Consolidated Financial Statements have been drawn up using the IAS/IFRS standards and related interpretations (SIC/IFRIC) endorsed by the European Union and effective at 31 December 2024. The standards applied by the Group as required by the circumstances are listed below.
Below are the changes for 2024 related to the IFRS accounting standards with reference to EU regulations, interpretations, amendments and draft documents issued by the IASB.

IFRS accounting standards, amendments and interpretations not yet in force for the year 2024

IAS 21 "The Effects of Changes in Foreign Exchange Rates"
In August 2023, the IASB published "Lack of Exchangeability (Amendments to IAS 21)", which provides guidance on when a currency is exchangeable and how to determine the exchange rate when it is not. It also requires the disclosure of additional information when a currency is not exchangeable. The amendments are effective for annual periods beginning on or after 1 January 2025, with early adoption permitted. The changes are not expected to have a material impact on the Group's Consolidated Financial Statements or on the Financial Statements of Deutsche Bank S.p.A.. These amendments still need to be endorsed by the EU.

IFRS 18 "Presentation and Disclosure in Financial Statements"
In April 2024, the IASB issued the new standard IFRS 18 "Presentation and Disclosure in Financial Statements", which replaces IAS 1 "Presentation of Financial Statements". The new standard provides new guidance on how to structure the income statement and disclosure requirements for performance measures defined by management. The new standard is effective for annual periods beginning on or after 1 January 2027, with early adoption permitted. DB S.p.A. is currently assessing the impact of IFRS 18 on the presentation of its Financial Statements. The new standard has yet to be endorsed by the EU.

IFRS 19 " Subsidiaries without Public Accountability: Disclosures"
In May 2024, the IASB issued the new IFRS 19 "Subsidiaries without Public Accountability: Disclosures". The new standard allows subsidiaries that apply international accounting standards, under certain conditions, to provide reduced financial statement disclosures, thereby lightening the burden of preparing financial statements. The new standard, which has no impact on the Group's Consolidated Financial Statements or on the Financial Statements of DB S.p.A., is effective for annual periods beginning on or after 1 January 2027, with early adoption permitted. The new standard has yet to be approved by the EU.

IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"
In May 2024, the IASB issued amendments to "Changes to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)" to address issues identified during the post-implementation review of the classification and measurement requirements in IFRS 9 "Financial Instruments", including the accounting treatment of financial assets whose returns vary upon the achievement of ESG objectives (e.g., green bonds).

With regard to electronic payment systems, the amendments allow a financial liability (or part thereof) to be considered as having to be settled before the settlement date if specific criteria are met. Furthermore, the amendments provide extensive guidance on basic loan agreements, non-recourse activities and contractually linked instruments. The disclosures have been amended for contractual terms that could change the timing or amount of contractual cash flows. The amendments are effective for annual periods beginning on or after 1 January 2026, with early adoption permitted. The Group is currently assessing the impact of the changes on the classification and measurement of financial instruments and on their disclosure. The new standard has yet to be endorsed by the EU.

Annual improvements to IFRS
In July 2024, the IASB issued amendments to multiple IFRSs, resulting from the IASB's annual improvements project. These include changes in terminology and editorial amendments relating to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures" and the related Guidance on the application of IFRS 7, IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements" and IAS 7 "Statement of Cash Flows". The amendments will be effective for annual periods beginning on or after 1 January 2026, with early adoption permitted. The amendments still need to be endorsed by the EU.

Contracts Referencing Nature-dependent Electricity
In December 2024, the IASB published "Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)" to address issues identified for contracts addressing nature-dependent electricity. The provisions on own use in IFRS 9 are amended to include factors that the entity is required to consider where the source of electricity generation depends on nature. The provisions on hedge accounting under IFRS 9 are amended to allow an entity to use a nature-dependent renewable energy contract with a variable volume of transactions expected in the electricity sector as hedged item, and to assess the effectiveness of the hedge. The IASB also amends IFRS 7 and IFRS 19 to introduce provisions on disclosures for nature-dependent electricity contracts that have specific characteristics. The amendments are effective for financial years beginning on or after 1 January 2026, with early adoption permitted. These amendments still need to be approved by the EU.

IFRS accounting standards, amendments and interpretations applied from 2024

The following are the accounting rulings that are relevant for the DB Group and which were applied for the first time in 2024.

IFRS 16 "Leases"
On 1 January 2024, the Group adopted amendments to IFRS 16 "Leases" that clarify how a selling lessee subsequently measures sale and leaseback transactions that meet the requirements of IFRS 15 to be accounted for as a sale. The amendment had no impact on the Consolidated Financial Statements of the DB Group or on the Financial Statements of Deutsche Bank S.p.A.
IAS 1 "Presentation of Financial Statements"
On 1 January 2024, the Group adopted amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current". The amendments clarify that the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting period. The amendments also clarify that this classification is not affected by expectations regarding the entity's exercise of its right to defer settlement of a liability and clarify that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty. They had no material impact on the Consolidated Financial Statements of the DB Group or on the Financial Statements of Deutsche Bank S.p.A.
On 1 January 2024, the Group adopted a further amendment to IAS 1 that modifies the provisions described above on how an entity classifies debt and other financial liabilities as current or non-current in specific circumstances. Consequently, it clarifies that only clauses that an entity is required to comply with on or before the reporting date affect the classification of a liability as current or non-current. The amendments had no material impact on the Consolidated Financial Statements of the DB Group or on the Financial Statements of Deutsche Bank S.p.A.

Standards and interpretations endorsed and in force (as amended) at 31 December 2024

The following tables list the accounting standards and related interpretations in force at the date of preparation of these Financial Statements.
In addition, the following new accounting standard is to be applied in the next few years:
- IFRS 14, "Regulatory Deferral Accounts" – pending endorsement by the European Union.

IAS/IFRS	NAME	ENDORSING REGULATION
IAS 1	Presentation of Financial Statements	1274/2008, 53/2009, 70/2009, 494/2009, 243/2010, 149/2011, 475/2012, 1254/2012, 1255/2012, 301/2013, 2113/2015, 2406/2015, 1986/2017, 2075/2019, 2104/2019
IAS 2	Inventories	1126/2008, 1255/2012, 1986/2017
IAS 7	Statement of Cash Flows	1126/2008, 1274/2008, 70/2009, 494/2009, 243/2010, 1254/2012, 1174/2013, 1986/2017, 1990/2017
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1126/2008, 1274/2008, 70/2009, 1255/2012, 2075/2019, 2104/2019
IAS 10	Events after the Reporting Period	1126/2008, 1274/2008, 70/2009, 1142/2009, 1255/2012, 2104/2019
IAS 11	Construction Contracts	1126/2008, 1274/2008
IAS 12	Income Taxes	1126/2008, 1274/2008, 495/2009, 475/2012, 1254/2012, 1255/2012, 1174/2013, 1986/2017, 1989/2017, 412/2019
IAS 16	Property, Plant and Equipment	1126/2008, 1274/2008, 70/2009, 495/2009, 1255/2012, 301/2013, 28/2015, 2113/2015, 2231/2015, 1986/2017
IAS 17	Leases *(in effect until 31 December 2018)*	1126/2008, 243/2010, 1255/2012, 2113/2015
IAS 18	Revenue	1126/2008, 69/2009, 1254/2012, 1255/2012
IAS 19	Employee Benefits	1126/2008, 1274/2008, 70/2009, 475/2012, 1255/2012, 29/2015, 2343/2015, 402/2019
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1126/2008, 1274/2008, 70/2009, 475/2012,1255/2012
IAS 21	The Effects of Changes in Foreign Exchange Rates	1126/2008, 1274/2008, 69/2009, 494/2009, 149/2011, 475/2012, 1254/2012, 1255/2012, 1986/2017
IAS 23	Borrowing Costs	1260/2008, 70/2009, 2113/2015, 1986/2017, 412/2019
IAS 24	Related Party Disclosures	1126/2008, 1274/2008, 632/2010, 475/2012, 1254/2012, 1174/2013, 28/2015
IAS 26	Accounting and Reporting by Retirement Benefit Plans	1126/2008
IAS 27	Consolidated and Separate Financial Statements; *"Separate Financial Statements" from 1 January 2013*	494/2009, 149/2011, 1254/2012, 1174/2013, 2441/2015
IAS 28	Investments in Associates; *"Investments in Associates and Joint Ventures" from 1 January 2013*	1126/2008, 1274/2008, 70/2009, 494/2009, 495/2009, 149/2011, 1254/2012, 2441/2015, 1703/2016, 182/2018, 237/2019
IAS 29	Financial Reporting in Hyperinflationary Economies	1126/2008, 1274/2008, 70/2009
IAS 31	Investments in Joint Ventures	1126/2008, 70/2009, 494/2009, 149/2011, 1255/2012
IAS 32	Financial Instruments: Presentation	1126/2008, 1274/2008, 53/2009, 70/2009, 495/2009, 1293/2009, 149/2011, 475/2012, 1254/2012, 1255/2012, 1256/2012, 301/2013, 1174/2013, 1986/2017
IAS 33	Earnings per Share	1126/2008, 1274/2008, 495/2009, 475/2012, 1254/2012, 1255/2012
IAS 34	Interim Financial Reporting	1126/2008, 1274/2008, 70/2009, 495/2009, 149/2011, 475/2012, 1255/2012, 301/2013, 1174/2013, 2343/2015, 2406/2015, 2075/2019, 2104/2019
IAS 36	Impairment of Assets	1126/2008, 1274/2008, 69/2009, 70/2009, 495/2009, 243/2010, 1254/2012, 1255/2012, 1374/2013, 2113/2015
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	1126/2008, 1274/2008, 495/2009, 28/2015, 1986/2017, 2075/2019, 2104/2019

IAS 38	Intangible Assets	1126/2008, 1274/2008, 70/2009, 495/2009, 243/2010, 1254/2012, 1255/2012, 28/2015, 2231/2015, 1986/2017, 2075/2019
IAS 39	Financial Instruments: Recognition and Measurement	1126/2008, 1274/2008, 53/2009, 70/2009, 494/2009, 495/2009, 824/2009, 839/2009, 1171/2009, 243/2010, 149/2011, 1254/2012, 1255/2012, 1174/2013, 1375/2013, 28/2015, 1986/2017, 34/2020, 25/2021
IAS 40	Investment Property	1126/2008, 1274/2008, 70/2009, 1255/2012, 2113/2015, 1986/2017, 400/2018
IAS 41	Agriculture	1126/2008, 1274/2008, 70/2009, 1255/2012, 2113/2015, 1986/2017
IFRS 1	First-time Adoption of International Financial Reporting Standards	1136/2009, 550/2010, 574/2010, 662/2010, 149/2011, 1205/2011, 475/2012, 1254/2012, 1255/2012, 183/2013, 301/2013, 313/2013, 1174/2013, 2173/2015, 2343/2015, 2441/2015, 1986/2017, 182/2018, 519/2018, 1595/2018, 2036/2021, 1392/2022
IFRS 2	Share-based Payment	1126/2008, 1261/2008, 495/2009, 243/2010, 244/2010, 1254/2012, 1255/2012, 28/2015, 289/2018, 2075/2019
IFRS 3	Business Combinations	495/2009, 149/2011, 1254/2012, 1255/2012, 1174/2013, 28/2015, 1986/2017, 412/2019, 2075/2019, 551/2020
IFRS 4	Insurance Contracts	1126/2008, 1274/2008, 1165/2009, 1255/2012, 1986/2017, 1988/2017, 2097/2020, 25/2021
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1126/2008, 1274/2008, 494/2009, 243/2010, 475/2012, 1254/2012, 1255/2012, 2343/2015
IFRS 6	Exploration for and Evaluation of Mineral Resources	1126/2008, 2075/2019
IFRS 7	Financial Instruments: Disclosures	1126/2008, 1274/2008, 53/2009, 70/2009, 495/2009, 824/2009, 1165/2009, 574/2010, 149/2011, 1205/2011, 475/2012, 1256/2012, 1174/2013, 2343/2015, 2406/2015, 1986/2017, 34/2020, 25/2021
IFRS 8	Operating Segments	1126/2008, 1274/2008, 243/2010, 632/2010, 475/2012, 28/2015
IFRS 9	Financial Instruments	2067/2016, 1986/2017, 498/2018, 34/2020, 25/2021
IFRS 10	Consolidated Financial Statements	1254/2012, 313/2013, 1174/2013, 1703/2016
IFRS 11	Joint Arrangements	1254/2012, 313/2013, 2173/2015, 412/2019
IFRS 12	Disclosure of Interests in Other Entities	1254/2012, 313/2013, 1174/2013, 1703/2016, 182/2018
IFRS 13	Fair Value Measurement	1255/2012, 1986/2017
IFRS 15	Revenue from Contracts with Customers	1905/2016, 1986/2017, 1987/2017
IFRS 16	Leases - starting 1 January 2019	1986/2017, 1434/2020, 25/2021
IFRS 17	Insurance Contracts	2036/2021, 1491/2022

SIC/IFRIC	**INTERPRETATION**	**ENDORSING REGULATION**
SIC 7	Introduction of the Euro	1126/2008, 1274/2008, 494/2009
SIC 10	Government Assistance - No Specific Relation to Operating Activities	1126/2008, 1274/2008
SIC 13	Jointly Controlled Entities — Non-Monetary Contributions by Venturers	1126/2008, 1274/2008
SIC 15	Operating Leases – Incentives *(in effect until 31 December 2018)*	1126/2008, 1274/2008
SIC 25	Income Taxes — Changes in the Tax Status of an Entity or its Shareholders	1126/2008, 1274/2008
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease *(in effect until 31 December 2018)*	1126/2008
SIC 29	Service Concession Arrangements: Disclosures	1126/2008, 1274/2008, 70/2009, 1986/2017
SIC 31	Revenue — Barter Transactions Involving Advertising Services	1126/2008
SIC 32	Intangible Assets - Web Site Costs	1126/2008, 1274/2008, 1986/2017, 2075/2019

IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1126/2008, 1274/2008, 1986/2017
IFRIC 2	Members' Shares in Cooperative Entities and Similar Instruments	1126/2008, 53/2009, 1255/2012, 301/2013
IFRIC 4	Determining whether an Arrangement contains a Lease *(in effect until 31 December 2018)*	1126/2008, 70/2009, 1255/2012
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1126/2008, 1254/2012
IFRIC 6	Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment	1126/2008
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	1126/2008, 1274/2008
IFRIC 9	Reassessment of Embedded Derivatives	1126/2008, 495/2009, 1171/2009, 243/2010, 1254/2012
IFRIC 10	Interim Financial Reporting and Impairment	1126/2008, 1274/2008
IFRIC 12	Service Concession Arrangements	254/2009, 1986/2017, 2075/2019
IFRIC 13	Customer Loyalty Programmes	1262/2008, 149/2011, 1255/2012
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1263/2008, 1274/2008, 633/2010, 475/2012
IFRIC 15	Agreements for the Construction of Real Estate	636/2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	460/2009, 243/2010, 1254/2012
IFRIC 17	Distributions of Non-cash Assets to Owners	1142/2009, 1254/2012, 1255/2012
IFRIC 18	Transfers of Assets from Customers	1164/2009
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	662/2010, 1255/2012, 2075/2019
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1255/2012, 2075/2019
IFRIC 21	Levies	634/2014
IFRIC 22	Foreign Currency Transactions and Advance Consideration	519/2018, 2075/2019
IFRIC 23	Uncertainty over Income Tax Treatments	1595/2018

Section 2 – Basis for presentation

These Consolidated Financial Statements comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and these notes. They are accompanied by a Management Board's Report, which has been prepared for annual consolidated reporting purposes.
The Consolidated Financial Statements have been presented clearly and give a true and fair view of the financial position and operations, changes in equity and cash flows.
In accordance with Article 5 of Legislative Decree no. 38 of 28 February 2005, the Consolidated Financial Statements are prepared using the euro as the accounting currency.
The Consolidated Financial Statements have been prepared using the general requirements of IAS 1, the specific criteria detailed in part A2 of these notes and the general provisions and assumptions for the preparation and presentation of financial statements required by the Framework issued by the IASB.
The Group has applied the IAS/IFRS without any departures.
Specifically, the general requirements of IAS 1 used for the preparation of these Financial Statements are as follows:

a) Going concern: measurements of assets, liabilities and off-balance sheet transactions are made on a going concern basis.

b) Accrual basis: costs and revenues are recognised in accordance with the accrual and matching principles, except for the statement of cash flows, when prepared using the direct method.

c) Consistency of presentation: the criteria for presenting and classifying items in the financial statements are kept constant from one period to the next, unless a change is required by an International Accounting Standard or by an interpretation thereof or is necessary to increase the significance and reliability of the financial statements.
In the case of a change, the new accounting policy is applied, to the extent possible, on a retroactive basis and the nature, underlying reason and amount of the captions involved are disclosed. The presentation and classification of captions are in line with Bank of Italy's instructions for banks' financial statements.

d) Relevance and aggregation: in accordance with the Bank of Italy's instructions on the banks' financial statements, the various classes of similar items are presented separately, if material. Different items, if material, are presented separately.

e) Prohibition of netting: except as provided for or permitted by an International Accounting Standard or by an interpretation thereof or by the provisions issued by the Bank of Italy on banks' financial statements, assets and liabilities as well as costs and revenues are not subject to netting.

f) Comparative information: comparative information is disclosed for the preceding period for all amounts reported in the financial statements, except when a Standard or an Interpretation permits or requires otherwise. Comparative information is provided in the notes when they are relevant to better understand the financial statements of the current year.

Section 3 – Consolidation scope and basis of consolidation

Consolidation scope

The Consolidated Financial Statements include Deutsche Bank S.p.A. and the companies which it directly and indirectly controls. The companies operating in dissimilar sectors from the parent company are also included in the consolidation scope, if any.

1. Wholly owned equity investments in subsidiaries

	NAME	REGISTERED OFFICE	TYPE OF REL. (1)	INVESTMENT		Voting rights % (2)	Included in banking group
				Investor	Shareholding		
	A. Consolidated companies						
	A.1 Companies consolidated line by line						
A.1	Deutsche Bank S.p.A.	Milan					YES
A.2	Fiduciaria Sant'Andrea S.r.l.	Milan	1	A.1	100	100	YES
A.3	DB Covered Bond S.r.l. (3)	Conegliano (TV)	1	A.1	90	90	YES
A.4	ROCKY 2021-1 SPV S.r.l. (4)	Conegliano (TV)	-	-	0	0	NO

(1) Type of relationship:
1 = control pursuant to Art. 2359 of the Italian Civil Code, par. 1, no. 1 (majority of voting rights at ordinary share/quota holders' meetings);
(2) Available voting rights at ordinary share/quota holders' meetings.
(3) The non-controlling interest of 10% is held by SVM Securitisation Vehicles Management S.r.l.
(4) The holder of 100% of the stake in the SPV is Stichting Escalibur (foundation under Dutch law): control carried out by the parent company as required by IFRS 10.

2. Evaluations and significant assumptions in determining the consolidation scope

It should be noted that the securitisation vehicle Rocky 2021-1 SPV S.r.l. was consolidated at 31 December 2024 and 31 December 2023. This vehicle was established and used by the parent company Deutsche Bank S.p.A. for a self-securitisation transaction involving personal loans originated by the Bank. The ABS securities issued, senior and junior tranches, were repurchased in full by Deutsche Bank S.p.A.
Although it does not hold any stake in the Rocky company, the Bank has verified that the requirements for establishing control as set out in IFRS 10 are met.

Companies in which Deutsche Bank is exposed to variable returns, or has rights to such returns, deriving from its relationship with them and at the same time has the ability to affect returns by exercising its power over these entities, are considered subsidiaries.
Control can only be established if the following elements are present simultaneously:
– the power to direct the relevant activities of the investee;
– exposure or rights to variable returns deriving from the relationship with the investee entity;
– the ability to exercise its power over the investee to affect the amount of its returns.

IFRS 10 identifies as "relevant activities" only those activities that significantly affect the returns of the investee company.
In the case of Rocky 2021-1 SPV it is a "structured entity" in which the voting rights do not represent the determining elements for the assessment of control.
Structured entities are generally considered to be subsidiaries where:

– the Group has power through contractual rights that allow for the governance of relevant activities;
– the Group is exposed to the variable returns deriving from these activities.

As at the date of these Consolidated Financial Statements, the structured entity DB Covered Bond S.r.l. was included in the consolidation scope. It was consolidated in application of the definition of "control" provided in IFRS 10. This special purpose vehicle was already included in the scope of consolidation until 31 December 2013 on the basis of the criteria of the previous interpretation document SIC 12: by applying the rules introduced by IFRS 10 in 2014, Deutsche Bank S.p.A. was identified as the entity able to make significant decisions that can affect the results of the segregated assets, thereby resulting in a change in presentation of the vehicle's results; these decisions include, among other things, the disposal of the loan portfolio, the disposal of the subordinated loans and the definition of the related contractual economic terms and conditions, the repurchase of non-performing loans, the re-usage of the liquidity exceeding the limits set for vehicles companies, connected with the issuing of covered bonds.

All the consolidated companies, except for the aforementioned DB Covered Bond S.r.l. and Rocky 2021-1 SPV S.r.l. were included due to the existence of control resulting from the majority of the voting rights held. At 31 December 2024, there are no situations of joint control, nor are there any investment companies within the DB Group. Consolidated companies at 31 December 2024 are shown in the table above.

3. *Equity investments in wholly owned subsidiaries with significant non-controlling interests*

At 31 December 2024 and 31 December 2023, the securitisation vehicle Rocky 2021-1 SPV S.r.l. was consolidated, and the parent company, although not holding any interest in the company, has verified the existence of the requirements to establish control as provided for by IFRS 10.

4. *Significant restrictions*

There are no such situations.

5. *Other information*

There are no other significant aspects to underline insofar related to these Consolidated Financial Statements.

Basis of consolidation

With regard to the consolidation methods, we reiterate that, in general, the financial information provided in the Consolidated Financial Statements includes the financial information of the parent company, Deutsche Bank S.p.A., together with the information of its subsidiaries, including structured entities, accounted for as a single economic entity (*note that the international accounting standards adopt the "entity theory" for consolidated financial statements as provided, for example, by IFRS 3 for the calculation of the goodwill pertaining to non-controlling interests*).

Subsidiaries

The subsidiaries of DB Group are the entities that DB Group controls. Control over an entity is measured by the ability of DB Group to unilaterally exercise its power in a manner as to affect the variable returns which DB Group is exposed to, through its involvement in the entity.

In certain cases, DB Group has supported the establishment of structured entities or interacted with structured entities established by third parties for various reasons, including to allow customers to have investments in separate legal entities, to allow customers to jointly invest in alternative assets or for loan securitisation purposes.

When establishing whether to consolidate an entity, DB Group assesses a series of factors, including in particular:
- the purpose and structure of the entity;
- the relevant activities and the method by which they are determined;
- whether the rights afforded to it provide the Group with the power to manage relevant activities;

- whether DB Group has exposures or rights in terms of variable returns;
- whether DB Group has the ability to unilaterally exercise its power to influence the value of its returns.

If the voting rights are significant, it is considered that DB Group exercises control when it holds, directly or indirectly, over one half of the voting rights in a company, except where it can be proven that another investor has the material capacity to manage the relevant activities, as could be indicated by one or more of the following factors:
- another investor holds over one half of the voting rights by virtue of an agreement with DB Group; or
- another investor has the power to manage the financial or operating policies of the investee by law or based on a contract; or
- another investor has the power to appoint or remove most of the members of the Board of Directors or an equivalent management body and the investee is controlled by that board or body;
- another investor has the power to exercise the majority of the voting rights at meetings of the Board of Directors or of an equivalent management body and that board or body controls the entity.

Potential voting rights considered to be essential are also taken into account in the assessment of control. Similarly, the DB Group also verifies the existence of control where it does not control the majority of the voting rights, but has the material capacity to manage the relevant activities unilaterally: this may occur in cases where the scope and division of the shares held by the other shareholders give the DB Group the power to manage the activities of the investee. The subsidiaries are consolidated from the date on which control is transferred to DB Group and they are removed from the consolidation scope from the date on which there ceases to be control.

The DB Group evaluates the status of the consolidation at least every six months, on the financial period closing date (normally this is the date on which the annual and half-yearly financial statements are prepared).
Consequently, any change in the structure will be taken under consideration at the time that it occurs. Among the changes in question are changes pertaining to decision making, contractual arrangements, financing, ownership and capital structure, as well as changes caused by events that had been predefined contractually in the initial phases of the acquisition of control of an entity.
Accounting policies that are coherent for the purpose of consolidation are applied throughout DB Group. Shares of subsidiaries issued by third parties are treated as non-controlling interests.
Profits or losses attributable to non-controlling interests are recognised separately in the consolidated income statement and in the consolidated statement of comprehensive income.
As a general rule, if applicable, the Group does not consolidate companies for which it has received shares with voting rights as a pledge, as the objective of the pledge is to guarantee the financing granted rather than exercise control and govern the financial and operating policies of another entity so as to obtain benefits from its activities.

On the date on which the control of a subsidiary is lost, DB Group proceeds as follows:
a) it derecognises the assets (as well as any attributable goodwill) and the liabilities of the subsidiary, at their carrying amount;
b) it derecognises the carrying amount of any non-controlling interest in the former subsidiary (including the components of other accumulated comprehensive profits attributable to the subsidiary);
c) it recognises the fair value of the consideration received and any distribution of the subsidiary's shares;
d) it recognises any equity investment maintained in the former subsidiary at fair value; and
e) it recognises any differences arising from the aforementioned captions as a profit or loss in the income statement.

Any amount recognised in comprehensive income for that subsidiary in previous years is reclassified to the consolidated income statement on the date that control is lost or is transferred directly to undistributed profits, if so provided by other IFRSs (other comprehensive income not reclassified to income statement).

Consolidation on a line-by-line basis
Equity investments in subsidiaries are consolidated on a line-by-line basis, i.e. a line-by-line acquisition of the subsidiaries' assets, liabilities, revenue and expenses. After attributing the relevant portions of equity and profit or loss to non-controlling interests, the carrying amount of the equity investment is eliminated against the residual amount of the subsidiaries' equity.

Any resulting positive difference is first allocated to the subsidiaries' assets and liabilities, and the remainder is recognised as goodwill under intangible assets at the date of first consolidation and under other reserves thereafter. Any resulting negative difference ("badwill") is recognised in the income statement.
Intragroup assets, liabilities, revenue and expenses are eliminated in full.
The profit or loss of a subsidiary acquired during the year is included in the consolidated financial statements from the acquisition date.
Similarly, profit or loss of a subsidiary sold during the year are included up until the Group ceases to exert control. The difference between the consideration received for the sale of the investment and its carrying amount at the disposal date, including any exchange rate gains (losses) accumulated in equity upon consolidation, is recognised in the income statement.

Changes in the parent company's investments in subsidiaries that do not entail loss of control are accounted for as equity transactions (i.e., transactions with shareholders in their capacity as shareholders).
In these cases, the carrying amounts of equity investments in subsidiaries and non-controlling interests are adjusted to account for the changes in their related interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.
The parent company's and consolidated companies' separate financial statements used for consolidation purposes have the same reporting date.
When necessary, and except for negligible cases, if the consolidated companies' separate financial statements were prepared under different accounting policies, they would be adjusted to comply with Group policies.

Associates
At the closing date of these consolidated financial statements, there are no associates in the DB Group.
It should be noted that, based on IAS/IFRS, an associate is an entity over which an investor has significant influence, but not a controlling interest, over the entity's operating and financial policies.
Influence is considered to be significant when the Group holds from 20% to 50% of the voting rights. When assessing whether the Group has significant influence, consideration is taken of the existence and effect of potential voting rights that can be exercised or converted. Other factors taken under consideration in order to establish whether the Group has significant influence include representation in the Board of Directors (or the management committee for German joint stock companies) and the existence of substantial inter-company transactions. The existence of these factors could require the application of the equity method to a particular investment, even if the Group's investment is lower than 20% of the shares with voting rights.
Associates and companies subject to joint control are consolidated using the synthetic equity method.
The equity method provides for the initial recognition of the equity investment at cost and its subsequent value adjustment on the basis of the share pertaining to the equity of the investee.
The differences between the value of the equity investment and the shareholders' equity of the related investee are included in the book value of the investee.
Potential voting rights are not taken into account in the valuation of the share.
The share of the investee's results for the year is recognised in a specific item of the consolidated income statement.
The most recent (annual or interim) financial statements approved by the companies are used to consolidate companies subject to joint control and equity investments in associates.

Section 4 – Events after the reference reporting period

In the period between the reference date of these Consolidated Financial Statements and the related Management Board's Report, 21 March 2025, no facts or events have occurred that would require an adjustment to the data approved therein or a supplement to the information provided.

Section 5 – Other aspects

a) Risks, uncertainties and impacts of the monetary policy

General aspects

In 2024, global economic activity recorded a sustained pace, mainly driven by the US economy, which exceeded expectations. By contrast, economic performance in most of Europe remained challenging, especially in Germany. In 2025, the American economy is heading for slightly slower but solid growth, driven by the hope of tax cuts and deregulation under the new US administration. Growth in the euro area is set to recover moderately, but Germany is expected to lag behind with selected sectors, such as the automotive industry, experiencing weak demand growth and high structural risks in the medium term. Political uncertainty in the Eurozone is high with the recent German elections held in February, with coalition talks underway, which could lead to disappointment over structural reforms. Meanwhile, France's new minority government has yet to develop a credible strategy for restoring public finances and stabilising the high public debt-to-GDP ratio in the face of strong political resistance. Furthermore, European economies are exposed to external risks stemming from potential US trade tariffs and China, where domestic activity lacks momentum and the heavily indebted property sector has yet to show signs of a trend reversal.

With the central bank's targets for headline inflation and core inflation approaching, the ECB and the Fed lowered their benchmark rates by 100 basis points each in the second half of 2024. However, inflationary pressure remains high, especially in the United States, against the backdrop of a stable labour market. Furthermore, if the new US administration cuts taxes, imposes higher tariffs and reduces migration, this would likely increase the risk of inflation and higher interest rates. Additionally, pressures on the global supply chain resulting from ongoing geopolitical tensions could also fuel inflation. The outlook for interest rates has become more uncertain, and markets are pricing in fewer rate cuts in the United States than they were a few months ago. If inflation exceeds current expectations, the Fed and other central banks may be forced to resume tightening policies, increasing the risk of a cyclical economic recession that includes rising unemployment and defaults.

Inflation and rising interest rates could curb consumer spending and private customer investment. Therefore, there may be a temporary reduction in new consumer finance and/or private mortgage lending activities. Furthermore, rising inflation could lead to payment difficulties for private customers due to a reduction in income adjusted for inflation and could result in an increase in exposure to default, with a corresponding impact on allowances for impairment.
Higher interest rates may lead to refinancing risks and potential downgrades for businesses, SMEs, commercial customers and private customers. Furthermore, inflation, interest rates and market volatility could lead to a reduction in the price of collateral assets and their recovery values in the event of liquidation, and therefore have a greater impact on allowances for impairment. The reduction in the price of collateral assets could also lead to a potentially higher refinancing risk.
An environment in which interest rates remain higher than expected would also increase the risk of corrections in highly valued pockets of the risk asset markets, such as the technology segment of the US equity markets. A prolonged and more severe spiral of volatility could have negative effects on global monetary and credit conditions and on Deutsche Bank's business environment.

The commercial property market continues to be affected by high interest rates, high borrowing costs and restrictive lending conditions, which are putting continued pressure on collateral values, particularly in the office sector, and may result in higher than expected allowances for impairment. Recent data suggests that commercial real estate (CRE) prices and broader market conditions are stabilising. The reversal of the monetary cycle could help to sustain market confidence and ease refinancing conditions from the second half of 2025 onwards, although refinancing risk remains high in the short term. The adjustment process in the office sector is expected to continue over the next few years.

Private capital markets, which include certain activities carried out by non-bank financial institutions and, more generally, private credit, may also be adversely affected by higher-than-expected interest rates and a weaker investment climate. The sector of non-bank financial institutions is extremely broad and presents different risk profiles and vulnerabilities. The failure of one or more large non-bank financial institutions could result in direct losses for banks, including Deutsche Bank and other creditors/capital providers. Increased market volatility, with rising rates, risk aversion, market illiquidity and economic slowdown, increase the likelihood of defaults due to falling yields and capital reallocation by investors. Internal approaches to risk management are commensurate with the risk profile of the underlying counterparty and exposures to concentration risk, and although Deutsche Bank has not recorded any significant losses in the past, it may do so in the future.
The potential negative impacts of an escalation could adversely affect Deutsche Bank's planned operating results and financial targets.

A number of political and geopolitical risks and events could adversely affect Deutsche Bank's business environment, including weaker economic activity, financial market adjustments, compliance risks or a lower interest rate environment that could reduce the Bank's ability to achieve its financial targets for 2025.

Particular attention is being paid to the future policies of the new US administration on international trade and energy. There is a risk that some of these policies could lead to higher inflation and interest rates, as well as uncertainty about the outlook for major geopolitical risks. For example, the US administration has considered additional tariffs on imported goods, particularly those from major trading partners such as Canada, Mexico and China, which, if implemented, could have a negative impact on growth and on fuel inflation in the United States. This, in turn, could lead to an increase in allowances for impairment. In addition, the US administration has proposed reducing funding and subsidies for clean energy initiatives that could impact businesses active in the renewable energy sector.

The ongoing war in Ukraine and the potential risk that US military support could be reduced continue to heighten European concerns and may lead to greater uncertainty and trade disruptions. Meanwhile, the risk of conflict in the Middle East remains high, despite the fragile temporary ceasefire agreed between Israel and Hamas and the fact that Iran and its terrorist proxies have been weakened by Israeli military strikes and the collapse of the Assad regime in Syria. Although market reaction has been restrained so far, further escalation could have negative effects, including higher oil prices, market volatility and supply chain disruptions, which could in turn affect Deutsche Bank's risk profile.

In the context of the ongoing war in Ukraine, any further sanctions, as well as countermeasures by the Russian government, continue to increase the complexity of operations and create situations of conflict of laws. In a challenging regulatory environment, banks have been involved in economic disputes with counterparties that could result in costs or losses that would not occur in the normal course of business. While an immediate negative impact on activities in Russia has been avoided, recent legal actions against various Western banks pose a downside risk.

Furthermore, tensions between the United States and China remain high across a wide range of areas, including trade and technology issues, Hong Kong, Taiwan, human rights, tariffs and cybersecurity. When Taiwan's new president took office last year, China conducted large-scale military exercises across Taiwanese territory, continuing to exert pressure on the island and aggressively asserting its territorial claims in the South China Sea. Although the Bank does not consider a military conflict between China and Taiwan to be its baseline scenario in the short term, the potential negative effects of an escalation are significant and could materially and adversely affect Deutsche Bank's expected results of operations and financial objectives. Geopolitical tensions could further drive economic polarisation and fragmentation of global trade, with the possible emergence of a China that stands apart from the US-led supporters. Overall, the potential adverse effects could negatively impact Deutsche Bank's expected results with regard to its operations and financial objectives.

Overall, the above-mentioned risks could lead to a deterioration in the quality of Deutsche Bank Group's portfolio and higher-than-expected credit and market losses.

Impacts on the estimate valuation process for financial statements areas

With regard to changes in accounting estimates related to monetary policy and interest rates, which had a significant effect in the financial year or are expected to have an effect in future financial years, the following should be noted:

- the area most affected by the impact of monetary policy and the resulting change in interest rates was the valuation of the credit risk provision. In this regard, please refer to the information provided below on the application of IFRS 9;
- there are no impacts with regard to lease contracts, an area in which the Bank operates exclusively as a lessee;
- there are no goodwill or other intangible assets with an indefinite useful life in the Financial Statements;
- the changed economic scenario was considered in the business plans used for the measurement of the controlling equity investments and for the recoverability tests of the deferred tax assets recognised in the Financial Statements;
- with regard to the actuarial gains/losses linked to the severance indemnity provision (IAS 19) and the conditions for the accrual of share-based payments (IFRS 2), there are no significant impacts on the statement of financial position and income statement items affected by these types of measurement.

IFRS 9 – Application of the "forward-looking" component in determining the risk provision

According to IFRS 9, the allowance for impairment is based on reasonable and demonstrable forward-looking information obtainable without undue cost or effort, taking into account past events, current conditions and forecasts of future economic conditions.

To incorporate forward-looking information into Deutsche Bank's allowance for impairment, the Group uses two key elements:
- as a base scenario, the Group uses macro forecasts based on external surveys (consensus view on GDP and unemployment rates) supplemented by implicit projections in the interest and exchange rate markets. Furthermore, the scenario expansion model, which was initially developed for the stress test, is used to predict macroeconomic variables not covered by external consensus reports or market sources.
- Statistical techniques are then applied to transform the baseline scenario into a multiple scenario analysis. The scenarios specify deviations from the baseline forecasts and are used to derive multi-year probability of default (PD) curves for different rating and counterparty classes, which are applied in the calculation of expected credit losses and in the identification of a significant deterioration in the credit quality of financial assets.
The general use of forward-looking information, including macroeconomic factors, as well as adjustments that take extraordinary factors into account, are monitored by the central functions of the Group's Risk and Finance Credit Loss Provision Forum.
In certain situations, risk managers and senior management may have additional information in relation to specific portfolios to indicate that the statistical distribution used in calculating the expected loss is inappropriate. In such situations, the Group applies a further subjective adjustment to supplement the calculation of the judgemental overlay component.

During 2024, the Group continued to apply the same IFRS 9 Impairment Approach as outlined in the accounting policies of the Bank's Financial Statements at 31 December 2023.

As mentioned above, on 1 April 2020, the ECB has submitted a letter to banks regarding the use of forward-looking information in the context of IFRS 9 which stated, among other things, that banks should "use long-term forecasts (for example the long-term GDP growth rate) whenever the specific forecast has lost relevance".

On an ongoing basis and as part of the Group's general control and governance framework, Deutsche Bank S.p.A. assesses at each reporting period whether any overlaps with its IFRS 9 model are required. This model monitoring framework considers whether there are risks not captured in the model, such as a sudden change in the macroeconomic environment, and identifies any model limitations or routine improvements to the model that have not yet been fully reflected. Overall, the model monitoring framework ensures that Deutsche Bank reports the best estimate of the management of expected credit losses at each reporting date.

The following tables show the main macroeconomic variables for the estimate of the forecast component of the provision for credit risks at 31 December 2024 and for the year ended 31 December 2023:

Fourth quarter 2024 (values at 31 December 2024)

	Year 1 Average 4 quarters	Year 2 Average 4 quarters
Commodities – Gold	2,588.02	2,612.91
Commodities – WTI	70.46	65.85
Credit – ITX Europe 125	62.15	68.66
Equity – S&P 500	6,109	6,436
Equity – Eurostoxx50	4,965	5,162
GDP – Eurozone	1.04%	1.19%
GDP – Germany	0.38%	1.14%
GDP – Italy	0.74%	1.02%
USA – Commercial Real Estate Index	312.27	316.81
Eurozone – Commercial Real Estate Index	107.75	108.39
House price index – Germany	152.78	158.19
House price index – Italy	103.82	104.92
Unemployment – Eurozone	6.46%	6.42%
Unemployment – Germany	3.46%	3.40%
Unemployment – Italy	6.50%	6.76%

Fourth quarter 2023 (values at 31 December 2023)

	Year 1 Average 4 quarters	Year 2 Average 4 quarters
Commodities – Gold	1,957.34	1,958.16
Commodities – WTI	82.52	83.56
Credit – ITX Europe 125	73.09	72.21
Equity – S&P 500	4,514	4,621
GDP – Eurozone	0.13%	1.08%
GDP – Germany	0.12%	1.30%
GDP – Italy	0.33%	1.03%
Home prices – US Commercial Real Estate Index	353.41	347.99
Unemployment – Eurozone	6.67%	6.64%
Unemployment – Germany	3.12%	3.13%
Unemployment – Italy	7.75%	7.68%

Areas of interest in 2024

Commercial real estate market

The commercial real estate market continues to perform poorly due to the effects of rising interest rates, reduced market liquidity associated with tighter lending conditions, and structural changes in the office sector. Market stress has been more pronounced in the United States, where property price indices show a more substantial decline in CRE asset values from recent peaks than in Europe and APAC. In particular, within the office segment, market weakness is most evident in the United States, which is reflected in modest leasing activity and higher vacancy rates compared to Europe. Market data indicates a degree of stabilisation year-on-year for the sector in general. For example, over the past year, a key curve in the CRE price index in the United States has flattened, indicating that property market values in the United States have bottomed out on a broad average, while some decline in value can still be observed in weak office submarkets. Signs of stabilisation are emerging in Europe, particularly in the residential, logistics and hotel property sectors.

In the current environment, the main risk to the portfolio remains the risk of refinancing and extending maturing loans. CRE loans often have a significant portion of the principal payable at maturity. Under current market conditions, borrowers may find it difficult to obtain a new loan to repay maturing debt or in relation to their ability to meet the conditions for extending the loan. This risk is further amplified for loans in the office segment due to greater uncertainty about the leasing prospects for office properties. Deutsche Bank is closely monitoring the CRE portfolio to identify these risks.

The Group continues to work proactively with borrowers to address upcoming maturities in order to establish terms for loan changes and extensions, which in many cases are classified as forbearance measures resulting in classification in stage 2 under IFRS 9, but are not always considered changes under IFRS. However, in some cases, it is not possible to reach an agreement on loan extensions or changes, and the borrower's inability to restructure or refinance results in default. This has led to higher stage 3 ECLs in 2023 and 2024. Overall, uncertainties remain regarding future defaults and the timing of a full recovery in commercial property markets.

The CRE portfolio consists of loan agreements originating from various sectors of the Bank and customer segments. The CRE portfolio, as defined by the Group, includes exposures reported in the main credit exposure categories by industry sector for NACE real estate activities and exposures reported in other NACE classifications, including financial and insurance activities.

Within the CRE portfolio, the Group distinguishes between loans with recourse and non-recourse loans. CRE loans with recourse generally have a lower intrinsic risk profile based on recourse to reliable entities or individuals, as well as mortgage guarantees. CRE exposures with recourse range from secured loans with recourse for commercial or corporate properties to real estate companies, wealth management customers and other private customers and companies.

Non-recourse loans are based on repayment sources that are typically limited to the cash flows generated by the financed property, and the ability to refinance such loans may be limited by the value of the underlying property and the income stream generated by that property at the time of refinancing.

The entire CRE loan portfolio is subject to periodic stress testing in accordance with Deutsche Bank's Group Wide Stress Test Framework. In addition, Deutsche Bank uses customised portfolio stress tests for certain sub-segments of its CRE loan portfolio to gain a more comprehensive view of potential dilution risks. For the financial year ending 31 December 2024, the Group updated a customised portfolio stress test on a subset of the non-recourse loan portfolio deemed to be at higher risk based on its greater sensitivity to current CRE market stress factors, including higher interest rates, declining collateral values and elevated refinancing risk due to loan structures with a high percentage of outstanding principal payable at maturity.

Overall assessment of ECLs

To ensure that Deutsche Bank's ECL model took into account the uncertainties of the macroeconomic environment throughout 2024, the Group continued to assess emerging risks, potential baseline and negative impacts, and take the necessary steps to manage the Bank's credit strategy and risk appetite. The results of these assessments concluded that the Bank had made adequate provisions for expected credit losses at 31 December 2024 and 31 December 2023.

The results of the revisions carried out and the development of key portfolio indicators are regularly discussed at the Credit Risk Appetite and Management Forum and Group Risk Committee. Where necessary, actions and measures are adopted to mitigate risks.

Customer ratings are regularly reviewed to reflect the most recent macroeconomic developments and where there are potentially significant risks, identified customers are moved to the watchlist (stage 2), tolerance measures can be negotiated and credit and collateralisation limits are reviewed. Overall, the Group believes that, on the basis of its daily risk management activities and regular assessment of emerging risks, it has adequately provisioned for credit losses.

Overlays applied to the output of the IFRS 9 model

The Group regularly reviews the methodology and processes of the IFRS 9 model, the key inputs in the calculation of the ECL, and discusses future changes to the model, potential model inaccuracies or other estimation uncertainties, e.g. of the macroeconomic environment to determine whether material overlays are required. In addition, evolving or emerging risks are regularly reviewed, particularly in the current geopolitical context. These measures include customer surveys and interviews, along with portfolio analysis across companies, regions and sectors. In addition, the Group regularly reviews and validates key model inputs and assumptions (including those in feeder models) and ensures that, where expert judgement is applied, it is consistent with the Group's risk management framework. At 31 December 2024, the Group had not identified any weaknesses in the model that required additional overlay, with the exception of changes relating to the ECL model, for which overlays were recorded. In addition, the Group introduced two new overlays following a review of the model's performance to anticipate the expected impacts of a fine-tuning of the refinancing risk model, which is the main contributor to the total amount of the overlay, represents a change in the estimate and is planned for future technical implementation, as well as a recalibration of the PD parameter planned for the first half of 2025.

Sensitivity of the model

The Group has identified three key assumptions included in the IFRS 9 model. These include forward-looking macroeconomic variables, the quantitative criteria to determine whether a borrower has suffered a significant increase in credit risk to be transferred to stage 2, and the definition of LGD on homogeneous portfolios in stage 3.

b) Non-financial assets, impairment testing and impairment losses

IAS 36 *Impairment of Assets* prescribes the treatment of impairment losses on the following assets:

- property, plant and equipment and related rights of use, the latter category from 2019;
- investment property carried at cost;
- intangible assets;
- goodwill arising from business combinations;
- equity investments in subsidiaries, associates and joint ventures.

Under the standard, an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired: in particular, intangibles with an indefinite useful life must always be tested for impairment at least once a year.
If any such indication exists, the entity shall estimate the recoverable amount of the asset or cash-generating unit (CGU).
Under IAS 36, in assessing whether there is any indication that an asset may be impaired, an entity shall consider, as a minimum, the following indications:

a) external sources of information:
   - a significant decline in an asset’s market value;
   - significant changes with an adverse effect in the technological, market, economic or legal environment in which the entity operates;
   - significant increases in market interest rates or the rate of return on investments;
   - the carrying amount of the shareholders' equity of the entity is more than its market capitalisation.

b) internal sources of information:
   - evidence is available of obsolescence or physical damage of an asset (if uninsured);
   - plans to discontinue operations and plans to dispose of an asset before the previously expected date;
   - internal reporting that indicates that the performance of an asset is, or will be, worse than expected.

Certain types of assets, such as goodwill and other intangible assets with an indefinite useful life, shall be tested for impairment regardless of whether there is a specific indication of impairment.
The application of the impairment test procedure results in the definition of the recoverable amount of the assets being measured: IAS 36 defines recoverable amount as the higher of an asset's sale value or sale fair value less ancillary costs and its value in use, which is the present value of the future cash flows expected to be derived from an asset.
Should the carrying amount exceed the recoverable amount, i.e., the asset is impaired, an impairment loss shall be recognised in the income statement.

The financial statements of the parent company and other consolidated companies do not include goodwill arising from business combinations or intangible assets with an indefinite useful life.
Non-current assets include property, equipment and investment property (and rights of use) and intangible assets with a finite useful life (mostly software).

For property, equipment and investment property and intangible assets with a finite useful life, no specific indicators of impairment referable to individual assets have emerged, but rather for the parent company a trigger of a general nature due to the situation of loss in the income statement of some company divisions (i.e. CGU) and the Bank as a whole.
It was therefore necessary to verify the recoverability of the values of these assets by ascertaining the value in use and the net realisable value with a sale on the market.
The value in use criterion was used in particular for the assets deriving from the application of IFRS 16, the rights to use the leased assets (ROU), as well as for both externally and internally developed software.
More in detail, for the verification of ROUs, the value in use is understood to be the current market value of rents for similar real estate units. The values obtained confirm the recoverability of the values recognised in the Financial Statements at 31 December 2024.

It should be noted that owned properties are defined as assets for auxiliary and common activities (corporate assets) and include group and divisional assets located in the buildings in which the parent company's central management offices are located (Bicocca hub - Milan).
To be noted is that the updates of the appraisals on the value of these properties, which were acquired in 2023, confirm that the potential fair value obtainable in a (partial) sale and leaseback transaction under current market conditions would be higher than the book value at which the assets are recorded in the Financial Statements.
Note that IAS 36 envisages the following for corporate assets:
the distinctive characteristics of these corporate assets are such that they do not generate cash inflows independently from other assets or groups of assets and their carrying amounts cannot be entirely allocated to the cash-generating unit under examination. As the aforementioned assets do not generate distinct cash inflows, their recoverable value cannot be determined unless the company management decides to discontinue the asset. As a result, if there is an indication that the asset had incurred impairment, the recoverable value of the cash-generating unit or the group of cash-generating units to which the asset belongs is calculated and compared with the carrying amount of the cash-generating unit or the group of cash-generating units.

c) Disclosure on sovereign debt

In accordance with the disclosures to be made on sovereign debt, it should be noted that there were no exposures held by Group companies at the end of the financial year 2024.

Last year, the Group companies, including the parent company, had no exposures relating to sovereign debt.

d) Non-current assets held for sale

At 31 December 2024 and 31 December 2023, there were no assets (or groups of assets) classified under this financial statement item.

e) Publication of the Consolidated Financial Statements

Pursuant to IAS 10, the parent company authorises the publication of its annual Consolidated Financial Statements within the terms provided for by current legislation. This does not apply to its interim financial report as it is not published.

f) Tax on extra-profits

Article 26 of Decree Law no. 104 of 10 August 2023, converted, with amendments, by Law no. 136 of 9 October 2023, on "Urgent provisions to protect users, concerning economic and financial activities and strategic investments", introduced an extraordinary tax calculated on the increase in the interest margin; in particular, paragraph 1 establishes for the year 2023 an extraordinary tax to be borne by the banks referred to in Article 1 of Legislative Decree no. 385 of 1 September 1993 (TUB).
This tax, pursuant to paragraph 2, is determined by applying a rate equal to 40% on the amount of the interest margin included in item 30 of the income statement, drawn up in accordance with the formats approved by the Bank of Italy, relating to the financial year prior to the current financial year at 1 January 2024, which exceeds by at least 10% the same margin referring to the financial year prior to the current financial year at 1 January 2022.
Paragraph 3 sets a ceiling on the amount of the extraordinary tax equal to 0.26% of the total amount of risk exposure on an individual basis, determined in accordance with paragraphs 3 and 4 of Art. 92 of Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulation, "CRR"), with reference to the closing date of the financial year prior to the current financial year at 1 January 2023.
As far as the parent company is concerned, the quantities that contribute to the determination of the amount of extraordinary tax are as follows:
a) net interest income (Income Statement – Item 30) of the parent company at 31 December 2023: €677,689,599;
b) net interest income (Income Statement – Item 30) of the parent company at 31 December 2021: €477,922,359;
c) application of 40% on the difference between a) and b), the latter increased by 10%: €60,790,002;
d) total amount of risk exposure on an individual basis at 31 December 2022 resulting from the Pillar III report: €20,656,315,000;
e) maximum tax ceiling of 0.26% of the amount referred to in point d): €53,706,419;
f) amount of the tax to be paid equal to the lower of c) and e): €53,706,419.
Furthermore, at the time of the conversion of the decree, paragraph 5-bis was introduced, which allows banks, in place of the payment of the tax, to allocate, at the time of approval of the financial statements for the year prior to the current financial year at 1 January 2024, an amount not less than two and a half times the tax to a non-distributable reserve identified for this purpose. In other words, when approving the Financial Statements for the year prior to the current financial year at 1 January 2024, the Shareholders' Meeting, as an alternative to paying the extraordinary tax, may resolve to allocate to a non-distributable reserve an amount equal to at least two and a half times the tax calculated pursuant to Art. 26.
With regard to the parent company, the Management Board:
• in October 2023, resolved to submit for approval at the 2024 Annual Shareholders' Meeting the establishment of the aforementioned non-distributable reserve, amounting to two and a half times the tax;
• on 21 March 2024, submitted for approval to the Supervisory Board the Financial Statements for the year 2023 including the proposal for the "Allocation of the 2023 profit" to be presented to the 2024 General Shareholders' Meeting, which proposes the establishment of the reserve in the amount of €134,266,047.50 (i.e., 2.5 times the maximum amount of the tax referred to in f) above).
On 28 March 2024, the Supervisory Board approved the 2023 Financial Statements including the proposed "Allocation of the 2023 profit" to be submitted to the 2024 Shareholders' Meeting.

The actual set up of the reserve took place in April 2024, following the approval by the Shareholders' Meeting. Therefore, starting from the half-yearly report as at 30 June 2024, evidence of the establishment of the reserve and related movements is provided. At 31 December 2024, there had been no changes to the reserve.

g) Italian Legislative Decree no. 125 of 6 September 2024

Pursuant to Legislative Decree of 6 September 2024, companies falling within its scope of application are required, starting from financial years beginning on 1 January 2024, to

include in their management reports information on the company's impact on sustainability issues and on how sustainability issues affect the group's development and performance.
The parent company Deutsche Bank S.p.A. avails itself of the exemption from individual sustainability reporting requirements provided for in Article 7, paragraph 1 of Decree Law no. 125 of 6 September 2024, as a subsidiary included in the consolidated non-financial statement issued by Deutsche Bank AG, with registered office in Frankfurt am Main (Germany).
Please refer to the information already provided on this subject in the Report of the Management Board of the parent company Deutsche Bank S.p.A.

There are no further issues requiring specific mention.

A.2 – Accounting policies
1 – Financial assets measured at fair value through profit or loss (FVTPL)

<u>Classification</u>

Financial assets other than those classified under financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost are classified in this category.

This asset item, in particular, can include the following types of financial instruments:
- financial assets held for trading, essentially represented by debt instruments and equity securities and the positive value of derivative contracts held for trading purposes;
- financial assets mandatorily measured at fair value, represented by financial assets that do not meet the requirements for measurement at amortised cost or at fair value through other comprehensive income.
These are financial assets whose contractual terms do not exclusively provide for repayments of capital and payments of interest on the amount of capital to be repaid (so-called "SPPI test" not passed) or which are not held as part of a business model whose objective is the holding of assets in order to collect contractual cash flows ("Hold to Collect" business model) or whose objective is achieved both by collecting contractual cash flows and by selling financial assets ("Hold to Collect and Sell" business model);
- financial assets designated at fair value, i.e. financial assets so defined at the time of initial recognition and where the conditions exist. In this case, an entity can irrevocably designate a financial asset as measured at fair value through profit or loss at recording if, and only if, by doing so, it eliminates or significantly reduces a measurement inconsistency.

For Deutsche Bank, at the date of these financial statements, the following are reported under this item:
- equities and bonds, these are temporary positions due to divisions or transactions on own account with retail customers;
- equity instruments, which cannot be qualified as control, connection and joint control, which are held for trading purposes or for which, at the time of initial recognition, the designation at fair value through other comprehensive income was not chosen;
- derivative contracts, recognised as financial assets held for trading, which are represented as assets if the fair value is positive and as liabilities if the fair value is negative. It is possible to offset the current positive and negative values deriving from existing transactions with the same counterparty only if one currently has the legal right to offset the recognised amounts and intends to settle on a net basis the positions subject to offsetting.

Derivatives also include, when present, those embedded in complex financial contracts – in which the primary contract is a financial liability – that have been recognised separately because:
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics of the underlying contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative;
- the hybrid (combined) instruments are not measured at fair value with changes recognised in the income statement.

On the basis of the general criteria set forth in IFRS 9 regarding the reclassification of financial assets (with the exception of equity securities, for which no reclassification is permitted), reclassifications to other categories of financial assets are not permitted, except in the case when the Bank changes its business model for the management of financial assets. In such cases, which are believed to be highly infrequent, the financial assets may be reclassified from the category measured at fair value through profit or loss in one of the other two categories provided for by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through other comprehensive income).

It is expected that the amount at which the transfer would be accounted for would be the fair value at the time of reclassification and that the effects of the reclassification would operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined based on its fair value at the date of reclassification and this date is considered as the date of initial recognition for credit risk stage assignment for impairment purposes.
For further information on the classification criteria of financial instruments, please refer to the section on "The classification criteria of financial assets".

Recognition

The initial recognition of financial assets takes place on the settlement date for debt instruments and equity securities, on the disbursement date for loans and on the execution date for derivative contracts.
Financial assets held for trading are initially recognised at fair value, without considering directly attributable transaction costs or income.
It should be noted that in the context of standardised transactions (so-called "regular way"), the rules of IFRS 9 allow for the possibility of choosing which date to consider for the purposes of initial recognition: it is possible to decide whether to favour the trade date or the settlement date.
The Deutsche Bank Group has chosen to use the settlement date for transactions in securities and currencies and the trade date for derivatives.
Commitments for transactions to be settled at the reporting date are measured using the same criteria as those applied to settled transactions.

Measurement

After initial recognition, financial assets measured at fair value through profit or loss are measured at fair value.
The effects of the application of this measurement criterion are recognised in the income statement.
The fair value of financial instruments listed on an active market is determined by making reference to market prices. If an active market does not exist, commonly adopted valuation methods and models are used, which take into account all risk factors related to the instruments and which are based on observable market data such as, for example, measurements of listed instruments with similar characteristics, calculation of discounted cash flows, option pricing models and prices registered in recent similar transactions.

For equity securities and derivative instruments involving equity securities that are not listed on an active market, the cost method is used as an estimate of fair value only on a residual basis and limited to a few circumstances, i.e. when all of the above valuation methods cannot be applied, or when there is a wide range of possible fair value measurements, where cost is the most significant estimate.
For more information on the criteria for determining fair value, please refer to Section "A.4 Fair value disclosure" of Part A of the Notes to the Financial Statements.

Derecognition

Financial assets are derecognised only if the sale has resulted in the transfer of substantially all the risks and rewards associated with the assets. Conversely, if a material portion of the risks and rewards of the transferred financial assets has been retained, said financial assets continue to be recognised in the financial statements, even if legal title to the assets has been transferred.
If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. If even a portion of control is retained, the assets continue to be recognised in the financial statements in line with the Group’s residual involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.

Finally, the financial assets sold are derecognised from the financial statements if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay said flows, and only them, without a significant delay, to other third parties.

2 – Financial assets measured at fair value through other comprehensive income (FVOCI)

This classification category is not present at the date of preparation of the Financial Statements, as there are no positions in place for the business model managed with the "Hold to Collect and Sell" method, nor in the case of investments in equity securities for which this measurement option has been chosen. For the sake of completeness of information, however, it is considered appropriate to provide below the criteria contained in IFRS 9 for this accounting category of financial assets.

Classification

Financial assets that meet both of the following conditions are included in this category:
- the financial asset is held on the basis of a business model whose objective is achieved either by collecting the contractually agreed cash flows or by selling (the "Hold to Collect and Sell" business model), and the contractual terms of the financial asset provide for cash flows, on defined dates, that represent only payments of principal and interest on the principal amount to be repaid (so-called "SPPI test" passed).

In particular, the following are included in this item:
- debt instruments that are attributable to a "Hold to Collect and Sell" business model and that have passed the SPPI test;
- equity interests that do not qualify as subsidiaries, associates and joint ventures and are not held for trading purposes, for which the option to designate them at fair value through other comprehensive income has been exercised;
- loans that are attributable to a "Hold to Collect and Sell" business model and that have passed the SPPI test, including the portions of syndicated loans that have been underwritten which, from inception, are intended for sale and which are attributable to the "Hold to Collect and Sell" business model.

Reclassification: in this case, which is expected to be highly infrequent, financial assets may be reclassified from this category into one of the other two categories under IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the reclassification date. In the event of reclassification from the category in question to that of amortised cost, the accumulated profit (loss) recognised in the valuation reserve is adjusted to the fair value of the financial asset at the reclassification date. On the other hand, in the case of reclassification in the category of fair value through profit or loss, the accumulated profit (loss) previously recognised in the valuation reserve is reclassified from equity to profit (loss) for the year.
For further information on the classification criteria of financial instruments, please refer to the section on "The classification criteria of financial assets".

Recognition

The initial recognition of financial assets takes place on the settlement date for debt instruments and equity securities, on the disbursement date for loans. They are initially recognised at fair value, including any transaction income or expenses attributable to the instrument.

Measurement

After initial recognition, assets classified at fair value through other comprehensive income, other than equity securities, are measured at fair value, with the impact of the application of amortised cost, the effects of impairment and any exchange rate effects recognised in the income statement, while other gains or losses arising from a change in fair value are recognised in a specific equity reserve until the financial asset is derecognised.
At the time of total or partial disposal, the accumulated profit or loss in the valuation reserve is reversed, in whole or in part, to the income statement.

The equity instruments for which the choice has been made for classification in this category are measured at fair value and the amounts recognised as a balancing entry in shareholders' equity (Statement of comprehensive income) must not be subsequently transferred to the income statement, even in the case of an assignment. The only component of these equity securities that is recognised in the income statement is the related dividends.
The fair value is determined on the basis of the criteria already illustrated for financial assets measured at fair value through profit or loss.

For equity securities included in this category that are not listed on an active market, the cost method is used as an estimate of the fair value only on a residual basis and limited to a few circumstances, i.e. when all of the above valuation methods cannot be applied, or when there is a wide range of possible fair value measurements, where cost is the most significant estimate.
For more information on the criteria for determining fair value, please refer to Section "A.4 Fair value disclosure" of Part A of the Notes to the Financial Statements.

Financial assets measured at fair value through other comprehensive income – both in the form of debt instruments and receivables – are subject to the verification of the significant increase in credit risk (impairment) provided for by IFRS 9, in the same way as assets at amortised cost, with consequent recognition in the income statement of a value adjustment to cover expected losses.

More specifically, on instruments classified as stage 1 (i.e. on financial assets at origination, if not impaired, and on instruments for which there has not been a significant increase in credit risk with respect to the date of initial recognition), a one-year expected loss is recognised at the date of initial recognition and at each subsequent reporting date. For instruments classified as stage 2 (performing loans for which there has been a significant increase in credit risk since initial recognition) and stage 3 (impaired loans), an expected loss is recognised for the entire remaining life of the financial instrument. Conversely, equity securities are not subject to the impairment process.
Please refer to the following chapter "Impairment of financial assets" for further information.

<u>Derecognition</u>

Financial assets are derecognised only when the sale results in the transfer of substantially all the risks and rewards associated with the assets. Conversely, if a material portion of the risks and rewards of the transferred financial assets has been retained, said financial assets continue to be recognised in the financial statements, even if legal title to the assets has been transferred.
If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. If even a portion of control is retained, the assets continue to be recognised in the financial statements in line with the Group's residual involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.

Finally, the financial assets sold are derecognised from the financial statements if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay said flows, and only them, without a significant delay, to other third parties.

3 – Financial assets measured at amortised cost

<u>Classification</u>

Financial assets that meet both of the following conditions (in particular loans and debt instruments) are included in this category:
- the financial asset is held according to a business model whose objective is achieved by collecting the cash flows provided for in the contract ("Hold to Collect" business model), and
- the contractual terms of the financial asset provide, on certain dates, for cash flows consisting solely of payments of principal and interest on the amount of principal to be repaid (so-called "SPPI test" passed).

More specifically, the following items are recognised under this item:

- loans with banks in the various technical forms that meet the requirements referred to in the previous paragraph;
- loans with customers in the various technical forms that meet the requirements referred to in the previous paragraph;
- debt instruments that meet the requirements referred to in the previous paragraph.

Also included in this category are operating receivables related to the provision of financial activities and services as defined in the Consolidated Banking Act and the Consolidated Finance Act (e.g. distribution of financial products and servicing activities).

Reclassifications: in this case, which is expected to be highly infrequent, financial assets may be reclassified from this category into one of the other two categories under IFRS 9 (Financial assets measured at fair value through comprehensive income or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the reclassification date. Gains or losses resulting from the difference between the amortised cost of the financial asset and its fair value are recognised in the income statement in the case of reclassification to Financial assets measured at fair value through profit or loss and equity, in the valuation reserve, in the case of reclassification to Financial assets measured at fair value through other comprehensive income.

For further information on the classification criteria of financial instruments, please refer to the section on "The classification criteria of financial assets".

Recognition

The initial recognition of the financial asset takes place on the settlement date for debt instruments, and on the disbursement date for loans. They are initially recognised at fair value, including any transaction income or expenses attributable to the instrument.
In particular, as regards loans, the disbursement date normally coincides with the date when the contract is executed.
If this is not the case, a commitment to disburse funds is entered when the contract is signed and it closes on the date of disbursement of the loan. Loans are recognised on the basis of their fair value, which is equal to the amount disbursed, or subscription price, including income/expenses directly attributable to the individual loan and determinable from the origin of the transaction, even if settled at a later date.
Costs which, despite having the above characteristics, are reimbursed by the debtor counterparty or are part of normal internal administrative expense, are excluded.

Measurement

After initial recognition, financial assets are measured at amortised cost, using the effective interest method. In these terms, the asset is recognised in the Financial Statements for an amount equal to its initial recognition value less principal repayments, plus or minus the cumulative amortisation (calculated using the effective interest rate method) of the difference between this initial amount and the amount at maturity (typically attributable to income/expenses allocated directly to the individual asset) and adjusted for any provision to cover losses.
The effective interest rate is identified by calculating the rate that equals the present value of the future cash flows of the asset, for principal and interest, to the amount disbursed including income/expenses attributable to the financial asset. This method of accounting, using financial reasoning, allows the economic effect of income/expenses directly attributable to a financial asset to be distributed over its expected remaining life.
The amortised cost method is not used for assets – measured at historical cost – whose short duration makes the effect of applying the discounting logic negligible, for those without a defined maturity and for revocable loans.
The measurement criteria, as better indicated in the chapter "Impairment of financial assets", are strictly connected to the inclusion of the instruments in question in one of the three stages (stages of credit risk) provided for by IFRS 9, the last of which (stage 3) includes the impaired financial assets and the remaining (stage 1 and 2) performing financial assets.

With reference to the accounting representation of the aforementioned measurement effects, the value adjustments referring to this type of asset are recognised in the income statement:
- upon initial recognition, for an amount equal to the expected loss after twelve months;

- at the time of the subsequent measurement of the asset, where the credit risk has not increased significantly compared to the initial recognition, as regards the changes in the amount of the value adjustments for expected losses in the following twelve months;
- at the time of the subsequent measurement of the asset, where the credit risk has increased significantly compared to the initial recognition, as regards the recognition of impairment losses over the entire contractual remaining life of the asset;
- at the time of the subsequent measurement of the asset, where – after there has been a significant increase in credit risk compared to the initial recognition – the "significance" of this increase has subsequently ceased to exist, as regards the correction of cumulative value adjustments to take account of the change from an expected loss over the entire residual life of the instrument ("lifetime"), to a loss at twelve months.

If the financial assets in question are performing, they are subject to a measurement, aimed at defining the value adjustments to be recognised in the financial statements, at the level of the individual credit relationship (or "tranche" of security), based on the risk parameters represented by the probability of default (PD), loss given default (LGD) and exposure at default (EAD), derived from the AIRBA models used for regulatory purposes by the DB AG Group and appropriately adjusted to take account of the provisions of IFRS 9.
If, in addition to a significant increase in credit risk, there is also objective evidence of impairment, the amount of the impairment is measured as the difference between the book value of the asset – classified as "impaired", like all other relationships with the same counterparty – and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of impairment, to be recognised in the income statement, is defined on the basis of an analytical evaluation process or determined by homogeneous categories and, therefore, analytically attributed to each position and takes into account, as detailed in the chapter "Impairment of financial assets", forward-looking information and possible alternative recovery scenarios.

Impaired assets include financial instruments that have been assigned the status of non-performing, probable default or past due for more than 90 days according to Bank of Italy rules, consistent with IAS/IFRS and European Supervisory regulations. Please note that Deutsche Bank Group has aligned its internal definition of an impaired loan under IFRS 9 with the definition of a defaulted financial instrument, for regulatory purposes under Article 178 of the EU Capital Requirements Regulation (CRR).

The estimated future cash flows consider the expected recovery times and the estimated realisable value of any guarantees.
The original effective interest rate of each asset remains unchanged over time even when it has been restructured with a change in the contractual interest rate and when it becomes non-interest bearing. When the reasons for the impairment no longer exist due to an event occurring after the recognition of the impairment, write-backs are recognised in the income statement. The write-back may not exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments. Write-backs associated with the passage of time are recognised in the interest margin.

In some cases, during the life of the financial assets under review and, in particular, of loans, the original contractual terms are subject to subsequent modifications by the parties to the contract. When, during the life of an instrument, the contractual clauses are subject to modification, it is necessary to verify whether the original asset must continue to be recognised in the financial statements or if, on the contrary, the original instrument must be derecognised and a new financial instrument must be recognised.
In general, changes to a financial asset lead to its derecognition and the recognition of a new asset when they are "substantial". The evaluation of the "substantiality" of the change must be carried out considering both qualitative and quantitative elements. In fact, it may be clear that in some cases, without resorting to complex analyses, the changes introduced substantially modify the characteristics and/or the contractual flows of a given asset while, in other cases, further analyses (also of a quantitative nature) will have to be carried out in order to appreciate the effects thereof and to verify the need to proceed or not to proceed with the derecognition of the asset and the recognition of a new financial instrument.

The (qualitative and quantitative) analyses aimed at defining the "substantiality" of the contractual changes made to a financial asset must therefore consider the purposes for which the changes were made, distinguishing between renegotiations for commercial reasons and concessions for any financial difficulties of the counterpart:

- the first, aimed at "retaining" the customer, involve a debtor who is not in a situation of financial difficulty. This case includes all the renegotiations aiming at adjusting the debt burden to market conditions. These transactions involve a change in the original terms of the contract, usually requested by the debtor, concerning aspects related to the onerousness of the debt, with a consequent economic benefit for the debtor. In general it is believed that, whenever the Bank carries out a renegotiation in order to avoid losing its customer, this renegotiation must be considered as substantial since, if it were not carried out, the customer could obtain financing from another intermediary and the Bank would suffer a decrease in expected future revenues;
- the latter, carried out for "credit risk reasons" (forbearance measures), are attributable to the Bank's attempt to maximize the recovery of the cash flows of the original credit. The underlying risks and rewards are generally not substantially transferred after the changes and, consequently, the accounting presentation that provides the most relevant information to the reader of the financial statements (except as discussed below in relation to objective evidence) is that made through modification accounting – which implies the recognition in the income statement of the difference between the carrying amount and the present value of the modified cash flows discounted at the original interest rate – and not through derecognition;
- the presence of specific objective elements ("triggers") that affect the characteristics and/or the contractual flows of the financial instrument (such as, for example, the change of currency or the change in the type of risk to which one is exposed, when correlated to "equity" and "commodity" type parameters), which are considered to lead to derecognition because of their impact (expected to be significant) on the original contractual flows.

Derecognition

Financial assets are derecognised only if the sale has resulted in the transfer of substantially all the risks and rewards associated with the assets. Conversely, if a material portion of the risks and rewards of the transferred financial assets has been retained, said financial assets continue to be recognised in the financial statements, even if legal title to the assets has been transferred.
If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. If even a portion of control is retained, the assets continue to be recognised in the financial statements in line with the Group's residual involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.
Finally, the financial assets sold are derecognised from the financial statements if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay said flows, and only them, without a significant delay, to other third parties.

4 – Hedging

Preamble

Deutsche Bank Group companies make use of the possibility, which was provided for in 2018 when IFRS 9 was introduced, to continue to fully apply the provisions of the previous accounting standard IAS 39 on hedge accounting (in the carved-out version endorsed by the European Commission) for all types of hedges (both micro and macro hedges). The DB Group has decided to confirm this choice also for the years after 2018.

Classification criteria: types of hedging

Risk hedging transactions are aimed at offsetting potential recognisable losses on a determined element or group of elements, due to a determined risk, using the gains arising from a different element or group of elements should that particular risk arise.
IAS 39 provides for the following types of hedges:
- fair value hedges, which hedge exposure to changes in fair value of a recognised asset or liability attributable to a particular risk;
- cash flow hedges, which hedge the exposure to variability in future cash flows attributable to particular risks associated with a recognised asset or liability or with highly probable future transactions;
- hedge of a foreign currency investment which relates to the hedging of the risks of an investment (expressed in foreign currency) in a foreign enterprise.

At the date of preparation of these Financial Statements, and during the 2023 financial year, the parent company has only one micro fair value hedge in place for a long-term fixed-rate deposit with the parent company DB AG.

This is a micro-hedging with a 1:1 ratio between the hedged asset or liability and the related hedging derivative instrument. In this specific case, a fixed-rate versus variable-rate interest rate swap derivative contract was used.

Only instruments involving an external counterparty can be designated as hedging instruments.

Recognition

Hedging derivatives, like all derivatives, are initially recognised and subsequently measured at fair value.

Measurement

With regard to initial recognition, the same rules as for financial instruments in general are applied to derivatives: they are initially recognised in the statement of financial position at fair value, which normally corresponds to the fair value of the consideration collected/paid. Given that derivatives are always measured at fair value, the directly attributable transaction costs do not affect their initial recognition.
A hedged item is generally an instrument subject to financial risks that may affect profit or loss in the current or future years. The typical risks that may be hedged are interest rate, currency, credit and equity price risks.

Hedging derivatives are measured at fair value. Specifically:

- for fair value hedges, changes in fair value of the hedged item are offset against changes in fair value of the hedging instrument. This offsetting is recognised by posting the related gain or loss in the income statement both for the hedged item (for gains or losses generated by the underlying risk factor) and the hedging instrument. Any difference, which represents the ineffective part of the hedge, is thus recognised as the net gain or loss;
- for cash flow hedges, changes in fair value of derivatives are recognised in equity for the effective portion. They are only recognised in the income statement when, with reference to the hedged item, the change in the cash flow to be offset occurs;
- hedges of an investment in foreign currency are recognised similarly to cash flow hedges.

Derivatives are designated as hedging instruments if there is formal documentation of the relationship between the hedged item and the hedging instrument and the hedge is effective from inception through the periods for which it was designated.
With respect to hedged items, the effect of the recognition of the hedge effectiveness is treated as follows:
- for micro fair value hedges, the book value of the hedged item is amended to take into account the value adjustment due to the interest rate risk hedge;
- for macro hedges executed by valuing the loan portfolio as a whole, the related hedge equity effect is recognised separately in the financial statements under item "Value adjustments to macro-hedged financial assets" (asset item 60 in case of positive revaluation or liability item 50 in case of negative revaluation).

Hedge effectiveness is the degree to which changes in the fair value or expected cash flows of the hedged item are offset by changes in the fair value or expected cash flows of the hedging instrument. Therefore, effectiveness is measured by comparing the changes, considering the entity’s intention when the hedge was put in place.
The hedge is effective (within the range of 80-125%) when changes in fair value (or cash flows) of the hedging financial instrument almost fully offset changes in the fair value (or cash flows) of the hedged item for the hedged risk.

Hedge effectiveness is assessed comparing the fair value or cash flow changes in the hedged items with those of the hedging instrument. The assessment is made at the inception of the hedge and regularly during the period for which the hedge is designated as such. At any rate, on-going hedge effectiveness is assessed at least at every reporting date.

Effectiveness is measured using:

- prospective tests, which justify application of hedge accounting, as they demonstrate its effectiveness;
- *retrospective tests, which show the hedge effectiveness in the period to which they refer.* In other terms, they measure the gap between actual results and perfect hedge.

When the tests do not confirm the hedge effectiveness retrospectively and prospectively, hedge accounting is discontinued and the hedging derivative is reclassified into the held for trading portfolio.
When the hedged asset or liability is measured at amortised cost, the higher or lower value obtained from its measurement at fair value should the hedge become ineffective is recognised in the income statement using the effective interest method or in one amount if the hedged item is derecognised.

5 – Equity investments

Classification, recognition and measurement

The item includes interests held in jointly controlled and associated companies.
Companies subject to joint control (joint ventures) are the entities for which, on a contractual basis, control is shared between the parent company and one or more other third parties, or when unanimous agreement of all parties sharing control is required for decisions regarding the relevant activities.
Companies subject to significant influence (associates) are considered to be entities in which the parent company holds at least 20% of the voting rights (including "potential" voting rights) or in which – albeit with a lower share of voting rights – has the power to participate in the determination of the financial and management policies of the investee by virtue of particular legal ties such as participation in shareholders' agreements.

Recognition

Equity investments are recognised on the settlement date. Upon initial recognition, they are accounted for at cost.

Measurement

Equity investments are measured using the synthetic equity method, adjusted for impairment.
If there is evidence that the value of an equity investment may be impaired, its recoverable value is estimated, taking into account the present value of the future cash flows that the equity investment may generate, including the final disposal value of the investment.
If the recovery value is lower than the book value, the relative difference is recognised in the income statement. In addition, if the reasons for the impairment no longer exist due to an event occurring after the recognition of the impairment, write-backs are recognised in the income statement.

Derecognition

Equity investments are derecognised when the contractual rights to the cash flows from the assets expire or when the equity investment is sold, transferring substantially all the risks and rewards of ownership.

6 – Property, equipment and investment property

Classification

Property, equipment and investment property include land, owner-occupied property, investment property, technical systems, furniture and fittings and equipment of any kind, as well as costs for leasehold improvements.
Also included are rights of use acquired under a lease and relating to the use of a tangible asset (for lessee companies).
Property, equipment and investment property are recognised in assets if, and only if, all of the following conditions are met:

 - it is probable that future economic benefits associated with the item will flow to the Group;
 - the cost of the item can be measured reliably.
These assets are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one year.

Renovation costs of leased buildings are capitalised in view of the fact that for the duration of the lease the user company has control over the assets and can derive future economic benefits from them.

Recognition

Property, equipment and investment property are initially recognised at cost.
Cost comprises the purchase price, including import duties and non-refundable purchase taxes, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating, after deducting trade discounts and rebates.
Examples of directly attributable costs are the costs of site preparation, initial delivery and handling costs, installation and assembly costs, professional fees, such as, for example, those paid to architects and engineers and the estimated costs of dismantling and removing the item and restoring the site.
Extraordinary maintenance costs that give rise to an increase in future economic benefits are recognised as an increase in assets. Ordinary maintenance costs are recognised in the income statement. They are recognised when the risks and rewards are transferred.

In application of IFRS 16, lease contracts are accounted for on the basis of the right-of-use model, for which, at the initial date, the lessee has a financial obligation to make payments due to the lessor to offset their right to use the underlying asset during the lease term.
When the asset is made available to the lessee for its use (initial date), the lessee recognises both the liability and the asset consisting of the right of use.

Measurement

After initial recognition, property, equipment and investment property can be measured using the following two alternative models:
- at cost, net of any accumulated depreciation and any accumulated impairment losses (reference model);
- at fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses (alternative model).
If the carrying amount of an asset increases following a revaluation, the increase should be recognised directly in equity in the revaluation reserve, except for investment property, for which fair value gains are recognised in the income statement.
All items of property, equipment and investment property are measured at cost by Deutsche Bank.

The assets are depreciated systematically over their useful lives, using a pattern that reflects the way in which the related future economic benefits are expected to be used by the Group and, therefore, the way in which the asset is being consumed.
Pursuant to IAS 16, the land component of property is considered a separate asset from buildings and, hence, it is recognised separately when purchased.
Land has an indefinite useful life and is not depreciated.
A similar method is applied to works of art as their useful lives cannot be estimated and their carrying amount will not decrease over time.

The depreciation criterion is reviewed at least annually and adjusted for significant changes in the expected way in which the future economic benefits generated by an asset will be used.
Renovation costs of leased buildings are depreciated over a period not exceeding the expected duration of the lease underlying the right of use, provided that this period does not exceed the useful life of the capitalised improvements.
If there is indication of impairment, the asset’s carrying amount is compared to its recoverable amount, i.e., the higher of fair value less costs to sell and value in use, represented by the present value of future cash flows.

Any impairment losses are recognised in the income statement unless the asset is recognised at its revalued amount. In this case, the impairment loss is treated as a reduction in the revaluation.
If the reasons for impairment are no longer valid, the impairment loss is reversed to the extent of the carrying amount that the asset would have had, net of depreciation, had it not been impaired.

The right-of-use asset, accounted for in accordance with IFRS 16, is measured using the cost model in accordance with IAS 16 "Property, Plant and Equipment"; in this case, the asset is subsequently depreciated and subject to an impairment test if indicators of impairment emerge.

Derecognition

An asset is derecognised when divested or when it is no longer used and its disposal is not expected to generate future economic benefits.
The gain or loss arising from the disposal or derecognition of an item of property, equipment and investment property, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is recognised as income or cost in the income statement when the disposal or derecognition takes place.
Normally, in the case of right-of-use assets, the derecognition from the statement of financial position occurs at the completion of the depreciation period, or at the time of the end of the use of the leased asset.

7 – Intangible assets

Classification

The Group recognises an intangible asset when it meets the following conditions:
- it can be identified separately from any goodwill arising from a business combination;
- the reporting entity controls it;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group.

If all of the above conditions are met, the Group is required to recognise the costs incurred as intangible assets. If not, the costs are recognised in the income statement.
IAS 38 governs the capitalisation of intangible assets and provides very strict criteria for the recognition of an item in this category, such that, by way of example, research costs, personnel training costs, advertising and/or promotion costs, personnel redeployment or company reorganisation costs, trademarks and internally generated goodwill are not considered eligible for capitalisation.
On the other hand, goodwill recognised as part of a business combination (which can be determined reliably, as opposed to that relating to an asset or business not acquired) and application software to be used for more than one year can be recognised as intangible assets.
Goodwill is the excess between cost and the fair value of the assets and liabilities acquired as part of a business combination.
The other intangible assets are recognised as such if they are identifiable and arise from contractual or other legal rights.
At this reporting date, no rights of use acquired through leasing are included in intangible assets.

Recognition and measurement

An intangible asset can be recognised as goodwill when the positive difference between the fair value of the assets and liabilities acquired and the investment costs (including transaction costs) reflects the investee's ability to generate future profits.
Should the difference be negative (badwill) or when the positive difference does not reflect the investee's ability to generate future profits, the difference is recognised directly in the income statement.
Goodwill is tested for impairment annually or more frequently when there is an indication of impairment. The cash-generating unit to which goodwill should be allocated is identified for these purposes.

The amount of an impairment loss is determined on the basis of the difference between the carrying amount of goodwill and its recoverable amount, if lower. The recoverable amount is the greater of the fair value of the cash-generating unit less costs to sell and

the related value in use. The resulting impairment loss is recognised in the income statement.
All intangible assets meeting the conditions to be recognised as such are initially recognised at cost.
The cost of an intangible asset includes its purchase price and any directly attributable cost of preparing the asset for its intended use, after deducting trade discounts and rebates.
Subsequent expenditure on an intangible asset after its purchase or completion is recognised as an expense when incurred, unless it is probable the expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and the expenditure can be measured and attributed to the asset reliably.
If the expenses do not meet these requirements, they must be immediately recognised in the income statement.

Intangible assets are amortised over their estimated useful life and their residual value at the end of their useful life is presumed to be zero, unless there is a third-party commitment to acquire the asset. The amortisation period is the best estimate of useful life, with a rebuttable presumption that it cannot exceed twenty years.
If an asset has an indefinite useful life, it is not amortised but is tested for impairment on a regular basis.
Goodwill is considered an asset with indefinite life. This asset must be assessed systematically at least once a year, based on its recoverable value determined through the impairment test. As a result of this, the goodwill that was recognised in the Financial Statements under previous accounting standards was allocated to the corresponding cash-generating units and restated based on the recoverable amount attributed to them.
At every reporting date, when there is an indication of impairment, the asset's recoverable amount is estimated. Any resulting impairment loss recognised in the income statement is the difference between the asset's carrying amount and its recoverable amount.

<u>Derecognition</u>

Intangible assets are derecognised upon their disposal or when there are no expected future benefits.
The gain or loss arising from the discontinuation or disposal of an intangible asset, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset, is recognised as income or cost in the income statement when the discontinuation or disposal takes place.

8 – Non-current assets (groups of assets and liabilities) held for sale

These captions include the non-current assets and liabilities and groups of assets and liabilities held for sale. In particular, these assets/liabilities are measured at the lower of the book value and their fair value net of costs to sell, with the exception of some types of assets (e.g. financial assets falling within the scope of application of IFRS 9) for which IFRS 5 specifically requires that the measurement criteria of the relevant accounting standard must be applied.
Profits or losses (net of taxes) from groups of assets and liabilities held for sale or classified as such during the year are recognised in a specific income statement caption.

9 – Current and deferred taxes

<u>Income Taxes</u>

The Bank recognises the effects of current, prepaid and deferred taxes applying the tax rates enacted at the reporting date (current taxes) or of the year when the temporary differences are expected to be reversed (deferred/prepaid taxes).
Income taxes are recognised in the income statement except for those related to captions recognised directly in equity.
Current taxes and related receivables due to advances and withholdings are presented at their net amount in the statement of financial position when offsetting is allowed by tax legislation and the Group intends to settle the tax liability or asset on a net basis. Current tax assets also include tax credits claimed for reimbursement from the relevant tax authorities.

Provision for income tax is determined based on a prudent estimate of the current, prepaid and deferred taxes. Specifically, prepaid and deferred taxes are determined considering the temporary differences (without time limits) between the carrying amount of assets and liabilities and their tax bases.
Deferred tax assets are recognised to the extent their future recovery is probable, assessed on the basis of the ability of the Bank or the consolidating company for tax purposes, as a result of exercising the "tax consolidation" option, to generate positive taxable income on an ongoing basis.
Deferred tax liabilities are not recognised only if related to equity investments and reserves taxable on distribution, since, based on the amount of existing available taxed reserves, transactions leading to their taxation are not likely to occur.

Deferred tax assets and liabilities are recognised in the statement of financial position without offsetting in the captions "Tax assets" and "Tax liabilities", respectively.
Assets and liabilities recognised for deferred tax assets and liabilities are systematically measured to take into account any changes in rules or rates.
Moreover, deferred tax liabilities are adjusted to cover possible liabilities that may arise from notified assessments or disputes with the tax authorities.

10 – Provisions for risks and charges

Internal pension and other plans

- *For the benefit of internal staff*

Internal pension plans are set up in accordance with internal agreements and qualify as defined benefit plans. The related liability and current service costs are determined using actuarial valuations. Unlike the previous accounting standards, the IAS/IFRS require that the provision must be discounted in order to account for the deferral of the liability until the Group is required to settle the obligation, if the effect of the time value of money is material.

The present value of the obligation at the reporting date is also adjusted for the fair value of any plan assets.
As required by paragraphs 120 and 127-130 of IAS 19, actuarial gains or losses are fully recognised when they arise in a specific valuation reserve under equity, net of the related deferred taxes.
Contributions under defined contribution plans (external funds) to be borne by the Bank are recognised in the income statement and are determined on the basis of the service provided.

- *For the benefit of agents*

Pension funds at 31 December 2024 include the agents' termination benefits (Fondo Indennità Suppletiva di Clientela - FISC) representing the amounts due to agents in the event of retirement, permanent disability, death, or termination of the contract on the initiative of the principal company (pursuant to Article 1751 of the Italian Civil Code). As these benefits are paid to agents and not employees, they fall under the scope of IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). The measurements required by the standard can be carried out using different methodologies.
Given that the agents' termination benefits for agents and post-employment benefits for employees are quite similar, the parent company decided to use the same method adopted under IAS 19 to measure post-employment benefits for the agents' benefits.

Provisions for risks and charges against commitments and guarantees given
The sub-item of provisions for risks and charges under review consists of provisions for credit risk recognised against commitments to disburse funds and guarantees issued that fall within the scope of application of the impairment rules under IFRS 9.
For these types of endorsement credits, the same methods are adopted, in principle, for the attribution to the three stages (credit risk stages) and for the calculation of the expected loss shown with reference to financial assets measured at amortised cost or at fair value through other comprehensive income.
However, the aggregate also includes the provisions for risks and charges set up for other types of commitments and guarantees given which, by virtue of their characteristics, do not fall within the aforementioned scope of application of the impairment pursuant to IFRS 9.

Other provisions

Under IAS 37, a provision can be recognised only when an entity has an obligation arising from a past event, it is probable that an outflow of resources will be necessary to settle the obligation and the liability can be reliably estimated.
When the effect of the time value of money is material, the provision is discounted to present value using current market rates.
The provision is recognised in the income statement.
Other provisions also include the actuarial valuations recognised under IAS 19, which relate to the following long-term benefits and defined benefit plans:
- loyalty premium for employees who reach the contractually-agreed seniority levels;
- health insurance offered to current and retired employees.

The actuarial gains or losses on long-term benefits, such as the loyalty premium, are recognised in full in the income statement when they arise. The defined benefit plans included in the post-employment benefits category are treated in line with the Italian post-employment benefits by immediately recognising actuarial gains or losses in an equity reserve.

Derecognition

The provisions are released when it is improbable that the resources accrued to provide economic benefits to comply with the obligation will be used.

11 – Financial liabilities measured at amortised cost

Classification

Due to banks, due to customers, securities issued and subordinated liabilities include the various types of interbank and customer funding as well as funding through certificates of deposit and bonds issued, net of any repurchases as required by the IAS.
They also include payables recognised by the parent company in its capacity as lessee within the context of lease operations.

Recognition

These financial liabilities are recognised when the amounts are received or the debt instruments are issued.
They are initially recognised at fair value, which is normally equal to the consideration received or the issue price, adjusted for any additional costs or income directly attributable to the individual transaction and not reimbursed by the creditor. Internal administrative costs are excluded.
The fair value of financial liabilities issued at other than market conditions is estimated and the difference compared to the market value is taken directly to the income statement.
Liabilities relating to payables to lessors are recognised at the same time as the right-of-use assets, when the leased asset is made available to the Bank: the initial value is calculated by discounting expected future payments using either the implicit interest rate, where available, or the marginal lending rate.

Measurement

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.
Current financial liabilities continue to be measured at the consideration received when the time value of money is negligible.
Lease payables are revalued in the presence of a lease modification (e.g. a change in the scope of the contract), which is not accounted for/considered as a separate contract.

Derecognition

Financial liabilities are derecognised when they expire or are extinguished.
They are also derecognised when previously issued securities are repurchased. The difference between their carrying amount and the amount paid to repurchase them is recognised in the income statement.
If the repurchased security is subsequently placed on the market again, this is treated as a new issue and is recognised at the new placement price, with no effect on the income statement.

12 – Financial liabilities held for trading

Recognition

The financial instruments in question are recognised at the subscription date or at the issue date at a value equal to the fair value of the instrument, without considering any transaction costs or income directly attributable to the instruments themselves.
This category of liabilities includes, in particular, trading derivatives with negative fair value, as well as implicit derivatives with negative fair value present in complex contracts – in which the primary contract is a financial liability – but not strictly related to them. Moreover, they may include the liabilities arising from short positions in securities trading.

Measurement

All trading liabilities are measured at fair value, with the result of the measurement recognized in the income statement.

Derecognition

Financial liabilities held for trading are derecognised when the contractual rights to the related cash flows expire or when the financial liability is transferred together with substantially all risks and rewards of ownership.

13 – Financial liabilities measured at fair value

None in 2024 and 2023.

14 – Foreign currency transactions

Initial recognition

Upon initial recognition, a foreign currency transaction is translated into the functional currency, which is the currency of the primary economic environment in which an entity operates, using the spot exchange rate in effect on the transaction date.

Subsequent measurement

Foreign currency assets and liabilities are retranslated into Euros at each subsequent reporting date using the following criteria:

- monetary items are retranslated using the closing rates;
- non-monetary items measured at historical cost are retranslated using the transaction-date exchange rates;
- non-monetary items measured at fair value are retranslated using the closing rates.

Exchange rate differences arising from the settlement of monetary items or from the translation at exchange rates other than the initial translation rate or the prior closing rate are recognised in the income statement in the period in which they arise.
When the gain or loss on a non-monetary item is recognised in equity, the exchange rate gain or loss is also recognised in equity. However, when the gain or loss is recognised in the income statement, the related exchange rate gain or loss is recognised there too.

15 – Other information

Treasury shares

Any treasury shares in portfolio reduce the carrying amount of equity.
Similarly, their original cost and profits or losses arising from their subsequent sale are recognised in equity.

Accruals and deferrals

The accruals and deferrals that include income and expenses for the period accrued on assets and liabilities are recognised in the financial statements as an adjustment to the assets and liabilities to which they refer.

Expenses for improvements to third party assets

Renovation costs of leased buildings are capitalised in view of the fact that for the duration of the lease the user company has control over the assets and can derive future economic benefits from them. These costs, which may be classified as Property, equipment and investment property or Other assets in accordance with the Bank of Italy instructions, are depreciated over the shorter of the duration of the lease, the latter used to determine the right of use, and the useful life of the capitalised improvement.

Accounting for government grants

Deutsche Bank accounts for income from government grants associated with interest-bearing assets and liabilities in net interest income when there is reasonable assurance that it will receive the grants and comply with the conditions attached to them.

Equity instruments

Equity instruments are financial instruments that represent a residual shareholding in the Bank’s assets, net of liabilities.
Equity instruments constitute representative elements of an entity’s equity and therefore are included in determining consolidated equity.
To be able to classify an issued financial instrument as equity instrument in the financial statements, there must not be any contractual obligations to make repayments of capital, interest or other returns.
More specifically, equity instruments have the following characteristics:

- unlimited duration, in any case equivalent to the duration of the issuer;
- full discretion on the part of the issuer to make coupon payments or to repay the capital, including in advance.

This category includes Additional Tier 1 (AT 1) instruments consistent with EU Regulation no. 575/2013 ("Capital requirements regulations" or CRR) relative to the prudential requirements for credit institutions and investment businesses. In particular, Articles 51 to 55 apply to Additional Tier 1 (AT 1) instruments.
In addition to the characteristics described above, these instruments must allow the issuer full discretion in deciding whether to restate the nominal value (write-up) after a trigger event that led to a write-down.
Equity instruments, other than ordinary or savings shares, are shown in item 130. "Equity instruments" under liabilities in the statement of financial position for the amount received, including transaction costs, if significant, that are directly attributable. Coupons, when paid, net of the related tax effect (if calculated), are deducted from item 140. "Reserves". Any difference between the amount paid to extinguish or repurchase these instruments and their carrying amount are recognised in item 140. "Reserves".

Post-employment benefits

Post-employment benefits consist of defined benefit plans with benefits after the employment relationship is terminated, and are therefore subject to actuarial valuation. This estimate includes the projection of future outlays based on historic statistical analyses, demographic curves, and the discounting of said flows based on market interest rates.
The plan service costs are recognised in personnel expense as the sum of contributions paid, prior year accrued contributions not yet paid, expected returns on plan assets and accrued interest.
As required by IAS 19, actuarial gains or losses are fully recognised when they arise in a specific valuation reserve under equity, net of the related deferred taxes.

Following the Italian supplementary pension reform introduced with Legislative Decree no. 252 of 5 December 2005, benefits vested up to 31 December 2006 have been maintained within the company, whereas benefits accruing from 1 January 2007 are allocated to the company/Group's supplementary fund or the INPS (Italian Social Security Institution) treasury fund, depending on the employees' decision taken before 30 June 2007.

Employee benefits

Employee benefits are defined as all types of remuneration paid by the company in exchange for the work performed by the employees.

Employee benefits can be classified into the following categories:
- short-term benefits (other than termination benefits and equity compensation benefits) that are expected to be settled wholly within 12 months after the end of the period in which the employees provide the service and recognised wholly in the income statement when they become vested (e.g. wages, salaries and overtime compensation);
- post-employment benefits due after the termination of the employment relationship which oblige the company to make future payments to employees. These include severance pay and pension funds which, in turn, are divided into defined contribution plans and defined benefit plans or company pension funds;
- employee termination benefits, i.e., compensation that the company pays to employees in return for terminating their employment, following the company's decision to conclude their employment relationship before the normal retirement date;
- long-term benefits, other than the previous ones, which are not expected to be fully extinguished within the twelve months following the end of the year in which the employees performed their work.

Revenue recognition

Revenues can be recognised:
- at a specific time, when the entity fulfils its obligation to perform by transferring the promised good or service to the customer, or
- over time, as the entity fulfils its obligation to perform by transferring the promised good or service to the customer.

The asset is transferred when, or during the period in which the customer acquires control of it.
Specifically:
- interest paid is recognised on a pro rata basis, using the contractual interest rate or the effective interest rate when the amortised cost model is applied. The item interest income (or interest expense) also includes the differentials or margins, positive (or negative), accrued up to the reporting date, related to financial derivative contracts hedging assets and liabilities that generate interest;
- any contractually provided for default interest is recognised in the income statement only when actually collected;
- dividends are recognised in the income statement during the year when their distribution is approved;
- fees for revenues from services are recognised, in compliance with contractual agreements, if any, in the period in which the services are provided. The commissions considered in the amortised cost for the purpose of determining the effective interest rate are recognised under interest;
- revenues from the sale of financial instruments, determined by the difference between the consideration paid or received for the transaction and the fair value of the instrument, are recognised in the income statement at the time the transaction is posted if the fair value can be determined with reference to official prices available on active markets, or for assets and liabilities measured on the basis of valuation techniques that use observable market parameters other than the quoted prices of the financial instrument (level 1 and level 2 of the fair value hierarchy). If the reference parameters used for the valuation are not observable on the market (level 3) or the instruments themselves have reduced liquidity, the financial instrument is recognised for an amount equal to the transaction price; the difference with the fair value is recognised in the income statement over the duration of the transaction;

- gains and losses arising from the trading of financial instruments are recognised in the income statement when the sale is completed, based on the difference between the consideration paid or received and the carrying amount of the instruments;
- revenues deriving from the sale of non-financial assets are recognised when the sale is finalised, or when the obligation to perform towards the customer is fulfilled.

Costs are recognised in the income statement according to the accrual principle; the costs incurred to obtain and perform contracts with customers are recognised in the income statement in the periods in which the related revenues are reported.
In particular, with regard to the assets recognised against the costs of obtaining or performing the contract with the customer, to be noted are the monetary incentive payments, deemed as significant, made to customers in order to obtain managed funding contracts. These monetary incentives are accounted for as a direct reduction of commission income and are spread over a period deemed to reflect the length of time the customer has been with the Bank, which at this reporting date was determined to be five years. In case of exit/redemption by the customer before five years, the residual portion not yet amortised is charged to the income statement.
Please refer to Section 13 of Part B of the Notes to the Financial Statements for quantitative information on this type of assets recognised for the purpose of obtaining contracts.

The accounting standard IFRS 15, "Revenue from Contracts with Customers", identifies a five-step process to define the timing and amount of revenue to be recognised, of which the main elements are summarized.

Step 1 - Identify of the contracts with customers
A contract is an agreement between two or more parties that results in legally enforceable obligations and rights. As a general rule, individual contracts must be recognised separately, however, multiple contracts stipulated at the same time with the same customer (or with parties related to the customer) should be aggregated, provided they satisfy certain conditions.

Step 2 - Identify the performance obligations in the contract
Performance obligations are contractual commitments consisting of providing a customer a good or service. The entity must identify the distinct performance obligations envisaged in the contract, as IFRS 15 requires that the revenue is recognised upon fulfilment of the individual performance obligations.

Step 3 - Determine the transaction price
The transaction price is the consideration to which the entity expects to be entitled in exchange for providing goods or services to a customer. The transaction price, in certain cases, consists of a fixed amount, in other cases, the price may vary depending on elements such as discounts, incentives and bonuses. Variable consideration may be included in the estimate of the transaction price only if it is "highly likely" that in subsequent years the entity will not have to reduce the estimated amount of said variable consideration.

Step 4 - Allocate the transaction price
The transaction price must then be allocated to the individual performance obligations based on the prices to which the individual goods or services could be sold separately. The best representation of these values is given by the price at which the goods or services are sold separately by the entity. If these sales prices do not exist, the entity must make an estimate based on an approach that maximises the use of observable input data.

Step 5 - Recognise revenue when the performance obligation is satisfied
The entity must recognise revenue when the performance obligation is satisfied. A performance obligation is satisfied when control of the goods or services (the asset) underlying said obligation is transferred to the customer. Control is defined as the "ability to direct the use of and obtain substantially all of the remaining benefits from the asset". A performance obligation may be satisfied in a specific moment (typical for commitment to provide goods to the customer) or across a time horizon (generally in the case of providing services to a customer).

Use of estimates and assumptions in the preparation of the Financial Statements
The general criteria followed by the Bank’s management as part of the estimation processes are described below.

Preparation of the financial statements entails using estimates and assumptions that may significantly affect the carrying amounts in the statement of financial position and the income statement and on the disclosures about contingent assets and liabilities.
Preparation of estimates implies the use of available information and adoption of discretional judgements, which are also based on past experience, to formulate reasonable assumptions that are suitable to present group transactions. By their nature, estimates and assumptions may vary from year to year and it cannot be excluded that carrying amounts may differ significantly from one year to another due to changes in the subjective evaluations used.

The financial statements areas most affected by discretional judgement by management are as follows:
– determination of impairment losses on loans and receivables, equity investments and other financial assets in general;
– the use of valuation models to determine the fair value of financial instruments that are not listed in an active market (levels 2 and 3, based on the fair value hierarchy provided for by the IAS/IFRS);
– assessment of the adequacy of the carrying amount of goodwill and other intangible assets with indefinite lives;
– determination of employee benefits and provisions for risks and charges;
– definition of the annual amortisation and depreciation rates for assets with a finite useful life;
– estimates and assumptions about the recoverability of deferred tax assets.

For some of the above cases, the main factors that are estimated by the Bank and therefore affect the determination of the carrying amount of assets and liabilities are set out below.
For the determination of the fair value of financial instruments not listed on active markets, if it is necessary to use parameters that are not observable in the market, the main estimates concern, on the one hand, the development of future cash flows (or even income flows, in the case of equities), possibly conditioned by future events and, on the other hand, the level of certain input parameters not listed on active markets.
For the allocation in the three credit risk stages provided for in IFRS 9 of receivables and debt instruments classified under Financial assets at amortised cost and Financial assets at fair value through other comprehensive income and the calculation of the related expected losses, the main estimates concern:

- the determination of the parameters for a significant increase in credit risk, essentially based on models for measuring the probability of default (PD) at the origination of the financial assets and at the reporting date;
- the inclusion of forward-looking factors, including macroeconomic ones, for the determination of PD and LGD;
- the determination of the probability of selling impaired financial assets by realising the positions on the market.

In determining estimates of future cash flows from impaired loans, factors such as expected recovery times, the estimated realisable value of any guarantees, and the costs estimated to be incurred in recovering the loan exposure are considered.
For the quantification of the provisions for pensions and similar obligations, the present value of the obligations is estimated, taking into account the flows, appropriately discounted, deriving from historical and statistical analyses, as well as the demographic curve.
In order to quantify the provisions for risks and charges, the amount of the disbursements necessary to fulfil the obligations is estimated – where possible – taking into account the actual probability of having to use resources.
For the measurement of deferred tax items, the probability of actual future taxable income is estimated (taxable temporary differences) and the degree of reasonable certainty – if any – of future taxable amounts when tax deductibility will occur (deductible temporary differences and tax loss carried forward).

The classification criteria of financial assets

The classification of financial assets into the three categories required by the standard depends on two classification criteria: the business model under which the financial instruments are managed and the contractual characteristics of the financial assets' cash flows (or SPPI test).
With the joint application of the two aforementioned criteria, the classification of financial assets is determined as follows:
- Financial assets measured at amortised cost: assets that pass the SPPI test and fall under the Hold to Collect (HTC) business model;

- Financial assets measured at fair value through other comprehensive income (FVOCI): assets that pass the SPPI test and fall under the Hold to Collect and Sell (HTCS) business model;
- Financial assets measured at fair value through profit or loss (FVTPL): this is a residual category, which includes financial instruments that cannot be classified in the previous categories based on the results of the business model test or the contractual flow characteristics test (SPPI test not passed).

SPPI test
In order for a financial asset to be classified at amortised cost or FVOCI, in addition to the business model analysis, the contractual terms of the asset must provide for cash flows at specified dates consisting solely of principal repayments and interest payments on the principal amount due ("solely payment of principal and *interest*" - SPPI). This analysis must be carried out, in particular, for loans and debt instruments.
The SPPI test is carried out on each individual financial instrument, at the time of recording in the financial statements.

After initial recognition, and as long as it is recognised in the financial statements, the asset is no longer subject to new measurements for the purpose of the SPPI test. If a financial instrument is derecognised and a new financial asset is recognised, it is necessary to carry out the SPPI test on the new asset.

For the purpose of the practical application of the SPPI test, IFRS 9 provides the definitions of:
- Principal, is the fair value of the financial asset upon initial recognition. This value may change during the life of the financial instrument, for example as a result of repayments of part of the principal;
- Interest, is the consideration for the time value of money and for the credit risk associated with the capital outstanding in a given period of time. It may also include remuneration for other basic risks and costs associated with lending and a profit margin.

In assessing whether the contractual flows of a financial asset can be defined as SPPI, IFRS 9 adopts the general concept of "basic lending arrangement", which is independent of the legal form of the asset.

When the contractual clauses provide for exposure to risks or volatility of contractual cash flows that are inconsistent with the definition of basic lending arrangement, such as exposure to changes in share or commodity prices, the contractual flows do not comply with the definition of SPPI. The application of the classification criterion based on contractual cash flows sometimes requires a subjective judgment and, therefore, the definition by the Bank of internal application guidelines.

In cases where the time value of money is modified – for example, when the interest rate of the financial asset is periodically reset, but the frequency of the reset or the frequency of coupon payments do not reflect the nature of the interest rate (e.g. the interest rate is reset quarterly on the basis of a one-year rate) or when the interest rate is periodically reset on the basis of an average of particular short- or medium/long-term rates – the Bank must assess, using both quantitative and qualitative elements, whether the contractual flows still meet the definition of SPPI (the "benchmark cash flows test"). If the test shows that the contractual (undiscounted) cash flows are "significantly different" from the cash flows (also undiscounted) of a benchmark instrument (i.e. without the modified time value element), the contractual cash flows cannot be considered to meet the definition of SPPI.

In contexts such as securitisation transactions, particular analyses (so-called "look through tests") are required by the standard and are therefore also implemented for multiple contractually linked instruments (CLIs) that create concentrations of credit risk for debt repayment and for non-recourse assets, for example when the claim can only be asserted against certain assets of the debtor or against cash flows originating from certain assets.

The presence of contractual clauses that can change the frequency or the amount of the contractual cash flows must also be considered to assess whether these flows comply with the requirements to be considered SPPI (for example prepayment options, possibility of deferring the contractually expected cash flows, instruments with embedded derivatives, subordinated instruments, etc.).
However, as required by IFRS 9, a characteristic of contractual cash flows does not affect the classification of the financial asset if it can only have a *de minimis* effect on the

contractual cash flows of the financial asset (in each year and cumulatively). Similarly, if a cash flow feature is not genuine, that is, if it affects the contractual cash flows of the instrument only upon the occurrence of an extremely rare, highly unusual and highly unlikely event, it does not affect the classification of the financial asset.

Business model
With regard to the business model, IFRS 9 identifies three cases in relation to how cash flows and sales of financial assets are managed:
- Hold to Collect (HTC): this is a business model whose objective is achieved by collecting the contractual cash flows of the financial assets included in the associated portfolios. The inclusion of a portfolio of financial assets in this business model does not necessarily imply the impossibility of selling the instruments even if it is necessary to consider the frequency, value and timing of sales in previous years, the reasons for the sales and the expectations about future sales;
- Hold to Collect and Sell (HTCS): this is a mixed business model whose objective is achieved through the collection of the contractual cash flows of the financial assets in the portfolio and (also) through a sales activity which is an integral part of the strategy. Both activities (collection of contractual flows and sales) are essential for achieving the objective of the business model. Therefore, sales are more frequent and significant than an HTC business model and are an integral part of the strategies pursued;
- Others/Trading: this is a residual category which includes both financial assets held for trading purposes and financial assets managed with a business model not attributable to the previous categories (Hold to Collect and Hold to Collect and Sell). In general, this classification is applied to a portfolio of financial assets whose management and performance are measured on the basis of fair value.

The business model reflects the ways in which financial assets are managed to generate cash flows for the benefit of the entity and is defined by top management through the appropriate involvement of the business structures.
It is observed by analysing the way financial assets are managed and, as a consequence, the extent to which the portfolio's cash flows are derived from the collection of contractual flows, the sale of financial assets or both.
The valuation is not based on scenarios that the Bank reasonably expects will not occur, such as "worst case" or "stress case" scenarios. For example, if an entity expects to sell a particular portfolio of financial assets only in a stress case scenario, that scenario does not affect the measurement of the entity's business model for those assets if said scenario, based on the entity's reasonable expectations, is not likely to occur.
The business model does not depend on the intentions of the Bank's management with respect to a single financial instrument, but refers to the way in which groups of financial assets are managed in order to achieve a certain business objective.

In summary, the business model:
- reflects the ways in which financial assets are managed to generate cash flows;
- is defined by top management, with the appropriate involvement of the business structures;
- must be observable considering the methods used to manage financial assets.

In operational terms, the assessment of the business model is carried out in line with the corporate organization, the specialization of the business functions, the risk cascading model and the assignment of delegated powers (limits).
In carrying out the assessment of the business model, all the relevant factors available at the date of the assessment are used.
The aforementioned evidence includes strategy, risks and their management, remuneration policies, reporting and amount of sales. In analysing the business model, it is essential that the investigated elements show consistency with each other and in particular are consistent with the strategy pursued by the Bank.
Any evidence of activities not in line with the strategy must be analysed and adequately justified.

For the Hold to Collect portfolios, the Group has defined the admissibility thresholds for sales that do not invalidate the classification (frequent but not significant, individually and in aggregate, or infrequent even if of a significant amount) and, at the same time, the parameters to identify sales consistent with this business model as they can be attributed to an increase in credit risk.
In more detail, under an HTC business model sales are allowed:
- in the event of an increase in credit risk, which occurs, for loans, if there are sales of impaired loans or loans classified as stage 2;

- when they are frequent but not significant in terms of value or occasional even if significant in terms of value.
In order to determine the above, frequency and significance thresholds have been defined.
In cases where either of the frequency or significance threshold is exceeded, an additional judgement is made in order to confirm the consistency of HTC business model (e.g. to assess whether sales are made close to the deadline).

Method of determining the amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability was initially recognised, net of principal repayments, plus or minus the cumulative amortisation, using the effective interest method, of the differences between the initial amount and the amount at maturity, net of any impairment losses.
The effective interest rate is the rate that equates the present value of a financial asset or liability to the contractual flow of future payments in cash or received until maturity or the subsequent price recalculation date. The present value is calculated using the effective interest rate for the flow of future collections or payments over the entire life of the financial asset or financial liability or over a shorter period if certain conditions are met (e.g. revision of market rates).
After the initial recognition phase, the amortised cost makes it possible to allocate revenues and costs which decrease or increase the instrument over its entire expected life through the amortisation process. The determination of amortised cost differs depending on whether the financial assets/liabilities being measured are at fixed or floating rates and – in the latter case – on whether the variability of the rate is known in advance.

For fixed rate or time-based instruments, future cash flows are quantified based on the interest rate set (single or variable) over the life of the loan. For floating-rate financial assets/liabilities whose variability is not known in advance (e.g. because it is linked to an index), cash flows are determined on the basis of the last known rate. At each rate revision date, the amortisation plan and the effective rate of return are recalculated over the entire useful life of the instrument, i.e. up to the expiry date.
The adjustment is recognised as a cost or income in the income statement.
The measurement at amortised cost is carried out for financial assets measured at amortised cost and for those measured at fair value through other comprehensive income, as well as for financial liabilities measured at amortised cost.
Financial assets and liabilities traded at market conditions are initially recognised at their fair value, which normally corresponds to the amount disbursed or paid including, for instruments measured at amortised cost, all directly attributable transaction costs and fees. Transaction costs are the marginal external costs and income attributable to the issue, acquisition or disposal of a financial instrument, net of expense components recharged to the customer.

Such costs and/or fees, which must be directly attributable to the individual financial asset or financial liability, affect the original effective yield and make the effective interest rate associated with the transaction different from the contractual interest rate.
The costs/income relating to several transactions and the components related to events that may occur during the life of the financial instrument, but which are not certain at the time of the initial definition, are excluded, such as for example: fees for retrocession, non-use, early repayment.
Furthermore, costs that the company would have to incur independently of the transaction, such as administrative, stationery and communication costs, or costs that, although specifically attributable to the transaction, are part of the company's normal lending practices (e.g. activities related to the provision of credit) are not included in the calculation of amortised cost.

With particular reference to receivables, the fees paid to the distribution channels, those paid for consultancy/assistance for the organization and/or participation in syndicated loans are considered costs attributable to the financial instrument.
Amortised cost also applies to the measurement of impairment of the financial instruments listed above as well as to the recognition of any financial instruments issued or purchased at a value other than their fair value.
The latter are recorded at fair value, rather than for the amount collected or paid, calculated by discounting future cash flows at a rate equal to the effective rate of return of similar instruments (in terms of creditworthiness, contractual maturity, currency, etc.), with simultaneous recognition of a financial expense or income in the income statement;

subsequent to initial measurement, they are measured at amortised cost, with actual interest higher or lower than nominal interest.
Finally, structured liabilities that are not measured at fair value through profit or loss are also measured at amortised cost, as the derivative contract embedded in the financial instrument was separated and recognised separately.

As indicated by IFRS 9, in some cases, a financial asset is considered impaired at the time of initial recognition since the credit risk is very high and, if purchased, it is acquired at large discounts (compared to the initial disbursement value). If the financial assets in question, based on the application of the classification criteria (i.e. SPPI test and Business model), are classified as assets measured at amortised cost or at fair value through other comprehensive income, they are classified as "Purchased or Originated Credit Impaired" assets (in short, "POCI") and are subject to a special treatment with regard to the impairment process.
A credit-adjusted effective interest rate is calculated on financial assets that qualify as POCI at the date of initial recognition, for which it is necessary to include initial expected losses in cash flow estimates. Therefore, for the application of the amortised cost, and the consequent calculation of the interest, this credit-adjusted effective interest rate is applied.
In addition, measurement at amortised cost does not apply to financial assets/liabilities with an original maturity of up to one year whose short maturity implies that the economic effect of discounting is negligible, nor to loans without a defined maturity or revocable loans.

Methods for determining impairment losses

Impairment of financial assets, impaired assets

At each reporting date, in accordance with IFRS 9, financial assets other than those measured at fair value through profit or loss are subject to an assessment to determine whether there is any evidence that the carrying amount of the asset may not be fully recoverable. A similar analysis is also carried out for the commitments to disburse funds and for the guarantees issued that fall within the scope of impairment pursuant to IFRS 9.

If such evidence exists (impairment evidence), the financial assets in question – consistently, where applicable, with all remaining financial assets belonging to the same counterparty – are considered impaired and placed in stage 3.

The Bank has aligned its internal definition of default with the regulatory definition established by the CRR in Article 178: credit exposures considered to be in default are assigned to stage 3 for the purpose of calculating risk provisions.
For these credit exposures, consisting of financial assets classified – pursuant to Bank of Italy Circular no. 262/2005 (as amended) – as non-performing loans, probable defaults and exposures past due for more than 90 days, value adjustments must be recognised equal to the expected losses over their entire residual life.

Impairment of performing financial assets

For financial assets for which there is no evidence of impairment (non-impaired financial instruments), IFRS 9 requires an assessment of whether there are indicators that the credit risk of the individual transaction has significantly increased since initial recognition.

The consequences of this assessment, from the point of view of classification (or, more properly, of the so-called staging) and measurement, are the following:
- where such indicators exist, the financial asset is transferred to stage 2. In this case, even in the absence of a manifest impairment loss, the measurement requires the recognition of value adjustments equal to the expected losses over the entire residual life of the financial instrument. These adjustments are reviewed at each subsequent reporting date both to periodically verify their appropriateness with respect to the constantly updated loss estimates and to take into account – in case the indicators of a "significantly increased" credit risk cease to exist – the changed forecasting horizon for the calculation of the expected loss;
- where these indicators do not exist, the financial asset is transferred to stage 1. In this case, the measurement, again in the absence of manifest impairment, requires the recognition of expected losses for the specific financial instrument over the following twelve months. These adjustments are reviewed at each subsequent reporting date both to periodically verify their appropriateness with respect to the constantly updated loss

estimates and to take into account – in case indicators of a "significantly increased" credit risk appear – the changed forecasting horizon for the calculation of the expected loss.

As regards the measurement of financial assets and, in particular, the identification of the "significant increase" in credit risk (a necessary and sufficient condition for the classification of the asset under measurement in stage 2), the elements that – according to the standard and its operational application carried out by the Deutsche Bank Group – constitute the main determinants are indicators linked to ratings and risk management processes:

a) as regards the indicators linked to ratings, changes in the probability of default (PD) of a counterparty are observed on a relative basis; in particular, the customer's PD "lifetime" assigned at the time of the initial disbursement of the loan is compared with that measured at the time of the valuation for reporting purposes; if changes are identified that are higher than pre-established levels defined by Group policy, the financial asset is considered "significantly impaired" and therefore assigned to stage 2.
b) As regards the indicators linked to risk management processes, the Group has defined as relevant situations for the purposes of assigning a loan to stage 2 those related to forbearance measures, the start of recovery/repayment activities (work-out status), and the inclusion of the position in credit monitoring systems (so-called "watch-lists").
c) As a backstop measure, the relative presumption of more than 30 days past due under IFRS 9 is used as the situation in which a significant deterioration of credit risk occurs.

Credit expected lifetime

The expected duration (or lifetime) of a credit is a determining factor for the calculation of the expected losses over its entire life: these losses represent the events of default over the expected duration of a financial asset. The Deutsche Bank Group measures expected credit losses by considering the risk of default that could occur during the maximum contractual period (including term extension options in favour of the borrower) in which it is exposed to credit risk.
Technical forms such as overdrafts, credit card-related exposures, and revolving loans to corporate customers typically consist of a cash exposure and an unused portion of the exposure. The expected lifetime of these loans revocable on demand exceeds their contractual maturity because exposures are normally withdrawn when the Bank determines that the risk has increased beyond a predefined level. Therefore, the expected duration is estimated considering both the historical series and the usual risk management activities such as the reduction and the revocation of credit limits. In cases where credit lines of this type are subject to a periodic annual review, the life expectancy for calculating losses is set at twelve months; for other revocable credit facilities not subject to review on an individual basis, Deutsche Bank applies an expected duration of twenty-four months for the purpose of calculating the risk provision.

Forecast of future economic conditions

As required by IFRS 9, the calculation of expected credit losses must be based, *inter alia*, on reasonable and demonstrable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
In order to incorporate the forecast element in the calculation of the provision for credit risks, the Deutsche Bank Group uses two main elements:

- the macroeconomic forecasts provided centrally by the "DB Research" study and research office are used as a basic scenario; these forecasts cover a number of relevant macroeconomic variables (e.g. GDP, unemployment rate, interest rate level) and reflect DB Research's view of the most likely evolution of these variables over a two-year period (with quarterly updates). If there are no reliable economic forecasts, rating migration matrices based on the through-the-cycle approach are used.
- The base scenario is then converted into a multi-scenario analysis using the calculations prepared for the regulatory stress test calculations. These calculations provide the impacts on multiple forecasted economic scenarios and are used as the basis for the calculation of probability of default curves on a multi-period basis for different classes of counterparties; these curves are used in the analyses for

verifying the transition to stage 2 (significant increase in credit risk) and the subsequent calculation of expected losses over the expected life of the credit.

The rating migration matrices are applied to the various loan portfolios that fall within the scope of application of IFRS 9 and are divided into the following classes of counterparties: retail, financial institutions, midcaps, corporate and "sovereign" risk.

<u>Estimation techniques, assumptions and inputs used to calculate the expected losses</u>

IFRS 9 does not differentiate between individually significant and non-significant credit exposures, therefore Deutsche Bank calculates the expected credit losses for each financial asset individually; similarly, the analysis for the transition between the different risk stages (staging) is performed on an individual basis.

Three main parameters are used to calculate expected credit losses (ECL):
- probability of default (PD);
- loss given default (LGD);
- exposure at default (EAD).

In developing the models for calculating the IFRS 9 risk provision, the DB Group has used, to the maximum extent possible, what was already available for the three parameters mentioned above in the systems in use for calculating regulatory capital and capital requirements for credit risk (internal models).
Although Deutsche Bank S.p.A. currently uses the standard model for calculating credit risk for regulatory purposes in Italy, it contributes to the input data for Deutsche Bank AG's central models that calculate capital and risks for Basel III purposes on the basis of the advanced internal approach, AIRBA.
The Deutsche Bank AG Group has centrally developed the methodologies for calculating the provision for credit risks pursuant to IFRS 9: the calculation engines and the models developed ensure the calculation of the risk provision at individual legal entity level for each of the Group companies, based on input data provided by them.
The estimation techniques used by the DB Group to determine the three main input factors for the calculation of the provision for risks (PD, LGD and EAD) are detailed below.

The one-year PD, relevant for the calculation of the 12-month ECL of credits in stage 1, is derived from the internal rating calculation system. The Group assigns a PD to each counterparty with credit exposure using a 21-rating scale. The assigned counterparty ratings are derived from internal models that detail specific and consistent calculation criteria for each customer. The set of criteria used is generated by the set of information relevant to the respective customer segments, including borrower performance and behavioural data, financial statement and budget data, external and market information.
The methods in use vary from statistical credit-scoring models to those of the expert-based type, always with the use of both qualitative and quantitative information available.
Expert-based models are typically used for counterparties in the following exposure classes: "Governments and Central Banks", "Financial Institutions" and "Corporate Clients"; for the latter segment, statistical models are also used if a sufficiently large database is available.
Statistical models and hybrid models that combine the two methods mentioned are used for the "Retail" segment.

PDs calculated on a uni-period basis (at 12 months) are further extended as multi-period PD curves by means of conditional matrices. The first step in the estimation process is the calculation of "through-the-cycle" (TTC) matrices which are derived from the historical series of the ratings. Economic forecasts are available for the next two years and are used to transform the TTC matrices into point-in-time (PIT) rating migration matrices. The calculation of the PIT matrices is carried out using the modelling available for stress tests (DB CDE, credit default engine). The macroeconomic variables are related to the behaviour of the counterparties in terms of rating and default in order to obtain rating migration matrices from which to derive the probability of default.
The calculations are made on the basis of a multiplicity of economic scenarios obtained on the basis of the statistical distribution of macroeconomic factors.

The "loss given default" (LGD) parameter measures the percentage of expected loss in the event of a counterparty's default, i.e. the estimate of the part of the credit exposure that will not be recovered by the bank. From a conceptual point of view, LGD estimates are independent of the probability of default of a counterparty. LGD calculation models ensure that the main loss factors are reflected in specific LGD factors: different quality levels and types of collateral, categories of customers and technical forms, and levels of seniority of the credit claimed by the bank.

The models used by the DB Group provide for the assignment of specific LGD parameters based on the type of guarantee/collateral received by the customer at the related guaranteed exposures. The values of the guarantees received are prudently subject to the calculation of a haircut.
Furthermore, as a general rule, the LGD values used for unsecured exposures can never be lower than those assigned to collateralised exposures.
The calculation of exposure at default (EAD) over the expected life of a financial asset is modelled by considering the expected profile of payments and repayments. The Group uses specific credit conversion factors (CCFs) for guarantees issued and assumed obligations in order to calculate the related EAD.

Conceptually, EAD is defined as the expected amount of a counterparty's credit exposure at the time of its default.
In cases where the loan transaction includes a part of the outstanding exposure, a portion of the unused credit line is added to the cash credit in order to more fully reflect the expected exposure at the time of default. In fact, it is expected that in the event of default the use of the credit line still available by the customer may increase.
The calibration of parameters such as credit conversion factors is based on historical series and statistical calculations as well as on the categories of counterparties and technical forms of credit lines.

<u>Estimation of expected losses in the presence of collateral assets</u>

IFRS 9 requires that the expected cash flows deriving from the enforcement of the collaterals pledged to loans be considered when calculating the expected losses (ECL).
The valuation and calculation models used by the DB Group consider, in particular, the following key aspects relating to the guarantees and collateral received:

- eligibility of collateral, i.e. which types of collateral can be considered for the calculation of ECLs;
- valuation of the collateral, i.e. which value must be used to estimate collections;
- projection of the value of the collateral over the life of the collateralised transaction.

Eligibility of collateral
The treatment and valuation of collateral for the purposes of applying IFRS 9 are consistent with the general principles of risk management and with the policies and processes adopted by the Group.
It follows that the eligibility and utilisation of collateral values must be based on the established methodologies and processes in place as applied for the Economic Capital Calculation Model (Basel Pillar II) and for the former calculation of the risk provisions according to IAS 39.
The eligibility and valuation of collateral are based on risk management standards defined by the policies: in particular, the Group's Global collateral policy defines the valuation processes, which include forward-looking elements. The assessments of the collaterals are reviewed at least annually, usually at the time of the credit review or update of the rating. If necessary, the collaterals are reviewed upon the occurrence of specific events related to the counterparty or the type of collateral received.

Valuation process
The valuation of collateral is carried out on a liquidation basis, where liquidation value is defined as the expected net cash flow resulting from the process of monetising the collateral in a base case scenario: in this context, a fair value of the collateral is determined as an expression of an orderly recovery process aimed at maximising the achievable value.
Collaterals can have values that vary over time ("dynamic value") or that are fixed ("static value"). The liquidation values considered for collaterals with dynamic value discount a conservative haircut from the realisable value to cover liquidity and marketability issues.

The DB Group policies require that liquidation values be assigned to eligible collaterals taking into account aspects such as:

- the market value, the loan value, the notional value or the nominal value as the starting point in the valuation process;
- the type of collateral, any mismatch between the currency of denomination of the loan and the related collateral or between the maturity of the loan and the collateral;

- the legal and regulatory framework of reference (guarantees to be enforced in foreign countries on the basis of national laws);
- the market liquidity and price volatility, to be related to the contractual clauses for the early termination of the loans;
- the correlation between the economic performance of the debtor and the value of the collateral received, e.g. in the case of a pledge of shares or bonds of the financed company (in the presence of a full correlation, it is possible to reach a zero value of the collateral and therefore of the realisable value);
- the litigation risks associated with the enforcement of guarantees; the quality of physical collateral such as industrial plants and related environmental risks;
- *the specific haircuts* by type of collateral governed by ad-hoc policies (from 0% to 100%) that reflect recovery risks. E.g. the risks of fluctuations in the market price of assets received as collateral during the average liquidation period thereof.

The definition of haircut percentages is normally based on the historical series of recoveries, in addition to taking into account forward-looking elements on actual recovery possibilities and market price developments. If sufficiently reliable estimates are not reached or the data are not sufficient, haircuts are further strengthened.
Revision of the applied haircuts is expected at least on an annual basis.

Projection of the value of the collateral over the life of the transaction
As part of the calculations carried out by the engine for calculating expected losses over the expected duration of the loans, the levels of collateralisation available at different points in the life of the loans are considered.
The distribution of the values of the guarantees at the reporting date forms the basis for the projection of the values of future collateralisation levels. Therefore, no additional collateral available at future points in the life of the loan is considered.
Regarding the distribution of the values of the guarantees over the life of the loans, the ECL calculation engine uses the following assumptions for the valuation of collaterals:
- if the actual exposure remains constant over the duration of the loan, it is assumed that the value of the collateral will also remain fixed at all times over the life of the financial asset;
- in the event of partial collateralisation that is combined with a decreasing credit exposure (e.g. mortgage loans or loans with annual repayment) the calculation engine projects the levels of guarantee as follows
    - for personal guarantees, it is assumed that the relative level of collateralisation remains stable over time. In this case, the value of the exposure and that of the guarantee decrease together until maturity;
    - for guarantees other than personal, the calculation engine assumes that the value of the guarantee remains constant. In such cases the secured part of the credit increases over time and, possibly, a fully secured situation may arise before maturity.

The guarantees are considered only to the extent that they are available to the Bank; if the maturity of the collateral received is prior to that of the loan granted, the value of the guarantee is zeroed at its maturity and therefore from that time the credit becomes unsecured (in whole or in part).

Business Combinations

A business combination is recognised as such in the financial statements when the Group obtains control over an entity (or a group of integrated businesses and assets that are managed together). In this regard, reference should be made to IFRS 3. The transfer of control, as provided in IAS 27, occurs in the following cases, in which the Group:
- acquires more than half of the voting power of an entity;
- acquires an interest representing less than half of the voting rights of another undertaking, but which nevertheless makes it possible to obtain control of the latter because one has the power: (i) over more than half of the voting rights by virtue of an agreement with other investors; (ii) to govern the financial and operating policies of the entity under an agreement or articles of association; (iii) to appoint or remove the majority of the members of the governing body that manages the entity; or (iv) to obtain the majority of votes at meetings of the governing body that manages the entity.

IFRS 3 requires that an acquirer is identified for each business combination, which is the party that obtains control of the other entity or businesses.

When the party that obtains control cannot be identified using the definition set out above (for example, if the business combination is carried out through an exchange of equity investments), other factors are considered to identify the acquirer, such as the entity whose fair value is significantly higher, the entity that pays cash consideration or that issues new shares.

The acquisition and, hence, the acquiree's first consolidation are recognised when the acquirer obtains control of the entity or businesses acquired.
When a business combination is carried out through a single exchange, the exchange date is usually the acquisition date. In any case, a check of any other agreements between the parties entailing the transfer of control before the exchange date is always required.
The cost of a business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree.

For transactions settled in cash (or cash equivalents), the cost is the consideration defined between the parties, possibly discounted if it is paid in instalments over a period exceeding the short term. If the transaction is settled other than in cash, therefore by issuing equity instruments, the cost is equal to the fair value of the instruments given, less the costs directly attributable to their issue.
When the instruments given are shares listed on active markets, their fair value is the acquisition-date published price or, if unavailable, the latest published price available.
When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the acquirer should include the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable, can be measured reliably and will be realised within twelve months of the acquisition date. Subsequent payments to the seller as compensation for a reduction in the value of the assets are not included as they have already been considered in the fair value of the equity instruments or as a reduction/increase in the issue premium/discount in the case of issue of debt instruments.

The costs related to a business combination are those costs directly attributable to the combination, such as professional fees paid to auditors, legal advisers, experts and other consultants to check the accounts (due diligence) and prepare information memoranda where required by the law, and the costs incurred to register and issue debt instruments or equity securities.

The acquirer should recognise the costs related to the business combination as expenses when the costs are incurred and the services received, except for the costs incurred to issue equity securities or debt instruments which are to be recognised in line with the provisions of IAS 32 and IFRS 9.
Business combinations are accounted for by applying the purchase method, whereby the identifiable assets acquired (including any intangible assets that the acquiree did not recognise) and identifiable liabilities assumed (including contingent liabilities) are recognised at their acquisition-date fair values.
Any excess of the cost of the business combination over the fair value of the identifiable assets and liabilities is recognised as goodwill and allocated to the cash-generating units identified within the company/Group. If the cost is lower than the value of the assets and liabilities transferred, the difference (badwill) is recognised as revenue in the income statement.

The fair value of the acquiree's assets, liabilities and contingent liabilities can be measured provisionally at the reporting date of the year in which the business combination is carried out and should be completed definitively within twelve months of the acquisition date.
When a business combination is achieved in stages, the acquirer should remeasure the carrying amount of the previously held equity investment in the acquired company at the related acquisition-date fair value and recognise any difference compared to the previous book value in the income statement. Upon acquisition of control, the overall goodwill is then remeasured on the basis of the acquisition-date fair values of the identifiable assets and liabilities of the acquired company.

IAS/IFRS refer to the "economic entity theory", whereby the consolidated financial statements are the financial statements of a group presented as those of a single economic entity, which is considered as a party economically independent of the parent company that exercises control.
Therefore, considering the Group as a whole, the positive (negative) difference between the acquisition cost and the carrying amount of the acquired minority interests is recognised as

a decrease (increase) in equity: the variation is recorded in non-controlling interests offsetting equity captions pertaining to the parent company, charging (crediting) the additional difference between the purchase price and the non-controlling interest shares as an adjustment to available reserves.
Similarly, if non-controlling interests are sold without losing control, the transaction does not affect the income statement but only the Group's equity.

Under IFRS 3, the following transactions cannot be classified as business combinations:
- the acquisition of an asset or a group of assets that does not constitute a business;
- the acquisition of temporary control;
- business combinations carried out for restructuring purposes, therefore among two or more than two entities or businesses that are already part of the same group and that do not entail a change in the controlling structure, regardless of the percentage of non-controlling rights before and after the transaction (a combination between entities or businesses under common control).

Under the IFRS approach, these transactions have no economic substance. Therefore, lacking specific guidance in the standards issued by the IASB and in accordance with IAS 8, which states that when there is no specific standard, an entity shall apply its judgement in the adoption of a standard that provides relevant, reliable and prudent disclosure and reflects the economic substance of the transaction, the above-mentioned business combinations are accounted for in the acquirer’s financial statements at the same carrying amounts stated in the acquiree’s financial statements.

Mergers are considered business combinations and are, moreover, the most complete form thereof, since they combine the merged parties both economically and legally.
"True mergers", i.e., those carried out by incorporating a new legal entity or merging an existing entity into another, are treated using the above-mentioned criteria for consolidated financial statements purposes. Specifically:
– if the transaction entails the transfer of control of an entity, it is treated as a business combination in accordance with IFRS 3;
– if the transaction does not entail the transfer of control, it is accounted for using the same carrying amounts presented in the merged entity’s financial statements.

Segment reporting

Disclosures about the operating segments have been prepared in accordance with the "managerial approach" provided for by IFRS 8, whereby operating segments shall be presented based on internal reports on the entity's operating results that are regularly reviewed by the entity’s chief operating executive to make decisions about resources to be allocated to the segment and assess its performance.
The operating and organisational policies of the Deutsche Bank Group in Italy are described below. These policies are in line with those applied at a global level by the other companies of the Deutsche Bank AG Group.

Operating segments
The following operating segments reflect the Group’s organisational structure as set out in internal management reports.
The Group's segment reporting reflects the organisational structure of the internal management reporting systems, on which the assessment of the financial performance of the business segments and the allocation of resources to them are based. In general, reclassifications resulting from changes in the organisational structure are included in the presentation of comparative figures for previous periods when considered in the Group's management reporting systems.

The organisational structure of the DB AG Group is divided into four main business divisions, in addition to a unit responsible for the disposal of non-core activities.
At 31 December 2024, the operating segments were as follows:
- Corporate Bank;
- Private Bank;
- Investment Bank;
- Asset Management;

in addition to the Capital Release Unit (CRU).

This divisional organization has been implemented at the DB AG Group level since the beginning of the third quarter of 2019 as a result of the announcement of the new strategy communicated to investors on 8 July 2019.
The significant aspects of the current sector structure can be summarised as follows:
Corporate Bank (CB) – this division provides financing, lending and transaction banking services to corporate and commercial customers;
Private Bank – this division includes the sectors that work with private retail customers, as well as carrying out wealth management (WM) activities offered to high-net-worth individuals, foundations and professional companies operating in the WM sector;
Investment Bank – this division operates in the debt capital market, leveraged finance, advisory, structured finance, asset backed securities and commercial real estate sectors;
Asset Management – this division performs asset management activities that provide investment solutions to individual investors and financial intermediaries operating in this field;
finally, the purpose of the Capital Release Unit (**CRU**) is to dispose of assets that are no longer required for the Bank's business in order to free up resources, reduce risk-weighted assets and the associated use of regulatory capital.

Segment income statement
The divisional reporting methods adopted by the Deutsche Bank Group, which are also applied by the consolidated companies operating in Italy, are set out below.
Sector (or segment) reporting requires the presentation of segment results based on management reports, including a reconciliation between the operating segment and consolidated figures, which is included in the "Consolidation and Reconciliation" section (see Part L of the Notes to the Consolidated Financial Statements, "Segment reporting").
In general, the Group's management reporting is based on the IFRS.
The information provided on each segment is based on internal operating reporting, activities and other information by segment that is reviewed regularly by the operational management of the decision-making body. The segment's activities are presented in the Group's internal management reports on a consolidated basis, i.e. the amounts do not include inter-segment balances.

Non-IFRS accounting methods are only rarely applied in the Group's operating reports and represent differences in valuation or classification. The major valuation differences relate to the fair value measurement in management reporting versus the amortised cost measurement under IFRS and to the recognition of trading results from treasury shares in income in management reporting (mainly in CIB) and in equity under IFRS. The main difference in classification relates to minority interests, which represent the net share of non-controlling interests in revenues, allowances for impairment, general expenses and income taxes. Non-controlling interests are classified as a pre-tax income component for the entities in the management accounts (with a reversal in the C&A section), whereas they are classified as revenue under IFRS.
Since the Group’s commercial activities are diversified and its operations are integrated, estimates and judgements were made to allocate revenue and expenses to the operating segments.

Management reporting systems allocate the Group's net external interest income based on the value of the loan used or granted by each business in the segment, with transfer pricing related to the Group's access to wholesale market financing. In addition, in order to make comparisons with competitors with legally independent units with their own equity financing, the Group allocates the net nominal interest credit to its consolidated capital, in proportion to the average equity of each segment.
Management uses certain measures for equity and related indexes as part of its internal reporting, since it believes that they provide more useful information about the financial performance of the operating segments.
The Group indicates such measures in order to enable investors and analysts to understand how it manages Group operations and have a better view of the Group’s results.

As regards the allocation of average shareholders' equity, it should be noted that starting from 2017, the Group has refined its capital allocation methodology.
Shareholders' equity is now fully allocated to the segments of the Group based on the regulatory capital requirements of each segment and is no longer limited to the amount of shareholders' equity necessary to meet externally reported targets for the Group's Common Equity Tier 1 ratio and the Group's Leverage Ratio.

The regulatory capital requirement reflects the combined contribution of each segment to the Group's Common Equity Tier 1 ratio, the Group's Leverage Ratio and the Group's Capital loss under stress.
The contributions in each of the three areas are weighted to reflect their relative importance and the level of constraint for the Group. Contributions to Common Equity Tier 1 and to the Leverage Ratio are measured through Risk Weighted Assets (RWA) and Leverage Ratio Exposure (LRE) assuming full application of the CRR/CRD 4 rules.
The Group's Capital loss under stress is a measure of the Group's overall exposure to general economic risk in a defined stress scenario. Goodwill and other intangible assets continue to be allocated directly to the Group's segments in order to allow the determination of allocated tangible equity and related returns. Shareholders' equity and tangible equity are allocated on a monthly basis and on average on a quarterly basis and for the entire year.

A.3 – Information on the transfers of financial assets between portfolios

The companies of the Group did not make transfers between portfolios in the years 2023 and 2024.

A.4 Fair value disclosure

Qualitative information

Introduction and determination of the fair value of financial instruments

EU Regulation no. 1255 of 2012 has endorsed IFRS 13 - "Fair Value Measurement": this accounting standard, the application of which was required from 1 January 2013, did not modify the scope of application of the fair value measurement, as it became a reference on the manner in which the fair value of financial instruments and non-financial assets and liabilities should be measured and presented, the procedures already being mandatory or allowed in other accounting standards.
In this manner, the rules for fair value measurement were gathered in one single standard, with coherent instructions across all rules.

As regards Deutsche Bank S.p.A. and the other DB Group companies in Italy, IFRS 13 is applicable solely with respect to financial assets and liabilities, the only categories to which they apply fair value measurement.
With regard to financial instruments and as already indicated in the previous reports, IFRS 13 contains a number of specifications regarding the measurement of the risk of default when determining the fair value of the derivative contracts.
This risk includes changes in counterparty credit worthiness (CVA, credit value adjustment) and the issuer's credit worthiness (DVA, debit value adjustment).
The Funding Valuation Adjustment (FundVA) is the sum of the Funding Cost Adjustment (FCA) and the Funding Benefit Adjustment (FBA) which accounts for the expected future funding costs/benefits for derivatives that are not fully collateralised.

More generally, the various types of fair value adjustments include the following:
- credit/debit valuation adjustment;
- Funding Cost/Benefit Value Adjustment (FCA/FBA);
- model risk;
- closing cost;
- other adjustments.

With the application of this valuation model, the recognition of adjustments for CVA and DVA resulted in adjustment values whose aggregate negative value amounted, at 31 December 2024, to €806 thousand of change in the fair value of the derivative contracts calculated at that date, compared to the equivalent negative adjustment of €110 thousand in the year 2023; the overall impact on the income statement for the year 2024, therefore, amounted to €696 thousand of costs.

At 31 December 2024, the cumulative fair value adjustment component relating to FundVA reflected in the income statement amounted to €448 thousand in costs; last year it amounted to €391 thousand in revenues.

Under IFRS 13, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction (i.e., not a forced liquidation or distress sale) between market participants at the measurement date.
Therefore, the definition of fair value is based on the assumption that an entity is fully operational and is not forced to sell or significantly reduce its activities, or to carry out transactions at unfavourable conditions. Moreover, the fair value reflects the credit quality of the financial instrument as it incorporates the counterparty risk (positive fair value) or the issuer risk (negative fair value).
Fair value is a market valuation criterion that is not specific to the company (Group) preparing the financial statements: an entity shall measure the fair value of an asset or a liability using the assumptions that market operators would use when pricing the asset or liability, assuming that market operators act in their economic best interest.

Under IFRS 13, an entity shall consider the following to determine fair value:
- the asset or liability to be measured (depending on its unit of account, defined as the level at which an asset or liability is aggregated or disaggregated for IFRS recognition purposes);
- the principal market (or the most advantageous market) in which the entity can enter into a transaction to sell the asset or to transfer the liability (in the absence of evidence to the contrary, this market is the normally used market);
- the most appropriate valuation techniques for estimating fair value: they should maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability;
- the fair value of an entity's liabilities or equity instruments is determined assuming that the instrument is transferred at the measurement date but not settled (it's a transfer value and not a settlement/extinguishment cost);
- the non-performance risk (including the credit risk of the instrument's issuer) shall be considered.

The standard provides that if there are directly observable market transactions involving the assets or liabilities to be measured, fair value is determined immediately. If these conditions do not exist, an entity shall use the following valuation techniques, as provided by IFRS 13:
- **Market approach**: a technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets or liabilities. It includes the market multiples valuations.
- **Cost approach**: fair value is the amount that would be required currently to replace the service capacity of an asset.
- **Income approach**: according to this approach, the fair value corresponds to the present value of future amounts (e.g., cash flows or income and expenses). When the income approach is used, the fair value measurement reflects market expectations about those future amounts.

Income approach includes the following valuation techniques:
- present value techniques;
- option pricing models, such as those based on the Black-Scholes-Merton formula, that reflect both the time value and the intrinsic value of an option;
- the multi-period excess earnings method, which is used to measure the fair value of some intangible assets.

An entity preparing financial statements should preferably use valuation techniques that maximise the use of observable input data and IFRS 13 proposes a three-level input data hierarchy:
- **level 1:** includes quoted prices in active markets for identifiable assets or liabilities identical to those that shall be measured;
- **level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly, for example:
quoted prices for similar assets or liabilities in active markets;
quoted prices for identical assets or liabilities in markets that are not active;
interest rate curves, implied volatilities and credit spreads;
- **level 3:** non-observable data. They shall be used to measure fair value to the extent that relevant observable inputs are not available. IFRS 13 clarifies that unobservable input used to measure fair value shall reflect the assumptions that market participants would use when pricing the asset or liability.

IFRS 13 allows the application of premiums or discounts to inputs to consider all those factors that would be considered by market participants. This implies that the premiums or discounts that reflect size as a characteristic of the entity's holding (i.e., blocking factors that would reduce the price in the event of a sale of a significant interest) rather than as a characteristic of the asset or liability (i.e., the control premium when measuring the fair value of a controlling interest) should not be included.
A market is considered to be active when transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis, the bid-ask spreads and volatility levels are sufficiently contained, the transactions take place in a suitable reference period and the prices are readily and promptly available from stock exchanges, brokers, intermediaries, sector companies, rating agencies or authorised bodies.

If a financial instrument that is measured at fair value has both a "bid" and an "ask" price, pursuant to paragraph 70 of IFRS 13, a value included in the "bid-ask" spread must be used which is considered the most representative of fair value: in this regard, the DB Group policy relating to fair value measurement provides for the use of "bid" prices for financial assets and "ask" prices for financial liabilities, as they are considered the most representative of the value in the two cases. The Group applied this technique before introduction of the applicable accounting standards.
The following types of financial instruments are usually considered to be listed on an active market:
- shares and bonds listed on a regulated market, bonds for which the executable prices are available on a regular basis from the rating agencies with a spread (difference between the ask and bid price) that does not exceed a range considered suitable to express market liquidity;
- mutual funds;
- spot exchange rate transactions;
- futures and options listed on regulated markets.

On the contrary, all equities, bonds and derivatives not included in the above categories are not considered as listed on an active market.
When a financial instrument is not listed on an active and liquid market, its fair value is usually determined using valuation techniques, which have the objective of identifying the price of a hypothetical transaction between third parties carried out for normal market reasons at the reporting date.
The IAS require that the valuation models adopted to determine the price shall consider, inter alia, the time value of money measured using the risk-free interest rate, the credit risk, prepayment risk and surrender risk and the volatility of the financial instrument price, as well as, if applicable, foreign currency exchange rates, commodity prices and share prices.

When the calculation model is very complex, inputs are not directly observable on the market or when the financial instrument is a highly innovative product, the fair value determined using valuation techniques is prudently reduced by adjusting factors, determined based on the risk level due to the complexity of the model adopted and the liquidity level of the financial instrument.
The application of valuation techniques to determine the fair value entails management estimates and judgements, whose extent may vary depending on the complexity level and the liquidity of the market. The valuation techniques include models that are based on the analysis of discounted cash flows, which depend on the estimated future cash flows and the discount rate used.
For complex products, the valuation models use modelling techniques, more complex assumptions and parameters, such as correlation, prepayment rates, unobservable default rates and the seriousness of the loss. Management judgement is required for the selection and application of suitable parameters, assumptions and modelling techniques.
Fair value adjustments are an integral part of the valuation process requiring judgement. In this process, the Deutsche Bank Group has adopted methodologies that consider inputs such as the settlement costs, liquidity risk and credit risk (CVA, DVA). The valuation model adopted for a financial instrument should remain the same over time, adjusted only in the case of significant changes in market conditions or subjective changes affecting the issuer.

For bonds and derivatives, the Group has defined valuation models that refer to the current market value of instruments that are substantially the same, the time value of money and option pricing models. In using a pricing method, any adjustments necessary to include the counterparty or issuer credit risk are also considered.
Specifically, bonds are measured by discounting the expected future cash flows of the contractual plan, adjusted for the issuer credit risk.

Derivatives are measured using the following valuation guidelines defined at Group level for each instrument category:
- calculation algorithms;
- computing models;
- market inputs used;
- basic assumptions of the methods.

For equity securities (including equity investments), the Group uses analytical valuation techniques based on financial and performance figures.
It also considers the following techniques/information as a comparison to the main method:
- when available, direct transactions, i.e., significant transactions involving the security recorded over a period of time deemed to be adequate compared to the measurement date and under normal market conditions;
- when available, comparable transactions carried out by companies operating in the same market involving similar types of products/services to the investee being measured;
- application of the average market multiples of comparables in terms of the investee's financial figures.

The fair value of financial assets and liabilities carried at cost or amortised cost is disclosed in the notes and is determined as follows:
- for non-current financial assets and liabilities, the discounted cash flow method is mainly used;
- for on-demand assets and liabilities, with a short term or undetermined maturity, the carrying amount net of a collective/individual impairment loss is deemed to reasonably reflect fair value;
- for floating-rate and current fixed-rate securities issued, the carrying amount is deemed to adequately reflect fair value, since it reflects both changes in interest rates and the issuer credit risk;
- for non-current fixed-rate securities issued and structured instruments whose fair value fluctuations are hedged, the carrying amount determined for hedge accounting purposes is used as it already includes the effect of market risks.

In preparing the financial statements, the IAS/IFRS require that the following categories of financial instruments be measured at fair value:
1) financial assets and liabilities held for trading, both on-statement of financial position and derivative instruments;
2) financial assets and liabilities measured at fair value, both through profit or loss and through other comprehensive income;
3) hedging derivatives.

With respect to derivatives, fair value gains or losses on fair value hedges are recognised in the income statement, while those on cash flow and future forecast transaction hedges are recognised in a valuation reserve.
Available official prices of an active market (effective market quotes) are the best evidence of fair value and are, therefore, primarily used for the measurement of financial assets and liabilities held for trading or available-for-sale financial assets and liabilities.
A financial instrument is considered to be listed on an active market if the listed prices that reflect ordinary market transactions carried out during a normal reference period are readily and regularly available through stock exchanges, intermediaries, rating agencies or authorised bodies, and if those prices reflect actual and regular market transactions carried out over an ordinary reference period.

When there are no regular market activities, i.e., if the market does not show a sufficient and ongoing number of transactions, shows high ask-bid spreads and volatility is not contained within normal levels, the fair value cannot be determined by direct reference to market prices and requires the adoption of other market inputs.
Therefore, in the absence of an active market, the fair value is determined using valuation techniques aimed at defining the valuation date price of the instruments in an arm's length transaction motivated by normal business considerations.

These techniques include:
- reference to market values that are indirectly related to the instruments being measured and inferred from products with a similar risk profile and return (comparable approach);
- valuations made using, including partially, non-market inputs calculated using estimates and assumptions (mark-to-model approach).

The decision about which technique should be used is not optional as they should be applied in a hierarchical order. Specifically, when a listed price of an active market is available, the other two alternative methods cannot be used.

Fair value hierarchy
As mentioned above, the order for the adoption of a fair value measurement model gives priority to official prices observable on active markets (effective market quotes), then to comparable assets and liabilities (comparable approach) and, lastly, to unobservable inputs, which are more discretionary (mark-to-model approach).

The characteristics of the three methods may be summarised as follows:

1- Effective market quotes
Fair value reflects the market value of the financial instrument expressed by market quotes observable in an active market on the last trading date of the reporting period.
This category mostly includes securities listed on regulated markets.

2 - Valuation techniques: comparable approach
In this case, fair value is not based on the market value of the financial instrument (unavailable or meaningless), but rather on the prices or credit spreads observable on the market for instruments that are substantially similar in terms of risk and return, using specific pricing methods.
Under this approach, transactions carried out on active markets involving financial instruments comparable in terms of risk and return are taken into account.
The pricing methods used under the comparable approach allow the reproduction of the prices of financial instruments listed on active markets (gauging), without using discretional inputs, i.e., those that cannot be derived from the prices of financial instruments listed on active markets and relevant to the extent that they significantly affect the final fair value.
This category includes unlisted securities and unlisted derivatives (OTC), such as interest rate swaps and plain vanilla currency options, which are agreements that do not require particularly complex or structured pricing methods.

3 - Valuation techniques: Mark-to-Model approach

Under this approach, inputs of a different nature are used, not all of which are derived from observable market data and, therefore, entail that the valuer makes estimates and assumptions.
This category may include more complex OTC derivatives, private equity investments, illiquid financing and certain highly structured bonds.

Specifically, this approach requires the use of a specific pricing method that is based on special assumptions, such as, for example:

- estimates of future cash flows, that reflect, where necessary, future events, the likelihood of which is based on the Bank’s past experience or conduct assumptions;
- identification of discount rates and related "risk premiums" to be applied to the various financial assets;
- the level of certain inputs that do not derive from active market data, the estimate of which is, however, primarily based on observable market price and spread inputs.

In 2024, value adjustments for the "level 3" category equity securities for €3,100 thousand were recognised in the income statement, while in 2023 the value adjustments were equal to €0.
For some interest rate derivative contracts of the same fair value category 3, the related net valuation effects were recognised as zero, both in the 2024 financial year and in the 2023 financial year.

A.4.1 Fair value levels 2 and 3, valuation techniques and inputs used

Reference should be made to the previous paragraph "Determination of the fair value of financial instruments" and the general comments set out above for general information.

Held for trading financial assets and liabilities classified as level 2 only consist of derivatives.
Level 3 of financial assets mandatorily measured at fair value through profit or loss includes equity interests, normally in shares, held in financial and service companies where the Bank's interest is less than 20%.

Level 2 – Derivatives
The category includes derivatives on interest rates, I.R.S. and I.R.O., and on exchange rates, forward foreign exchange contracts and options.
For interest rate derivatives, without pricing mechanism options, a discounted cash flow measurement is used.
This technique generally consists of estimating the future cash flows expected throughout the life of the derivative financial instruments: the model requires an estimate of the cash flows and the adoption of market parameters for the discount. The rate or discount margin reflects the credit spread and/or loan spread required of market operators for instruments with similar risk profiles and liquidity in order to determine the discounted value. The fair value of the derivative contract is the sum of the discounted future cash flows.
In the case of structured derivatives containing optionality, valuation techniques are based on option pricing models: models of this type are used for instruments in which the holder has a right or potential obligation related to the occurrence or non-occurrence of a future event, such as exceeding the price of a reference financial asset by a predetermined strike price. Option pricing models estimate the probability that a specific event will occur, incorporating the assumptions regarding the volatility of the estimates, the price of the instrument underlying the option and the expected rate of return for the portfolio being evaluated.

Valuation of interest rate derivatives is based on the interest rate curve adopted by Deutsche Bank AG Group which determines the par rate, zero coupon rate (ACT/365 base) and 3-month forward rate (ACT/360 base) levels using market inputs.
In particular, the zero-coupon interest rates used for the calculation of the current values are taken from interest rates observed on the market using a bootstrapping procedure.
The values obtained by applying the above curve to the outstanding contracts are then supplemented by the assessment of the counterparty risk: this risk must include both changes in the counterparty's creditworthiness (CVA, credit value adjustment) and those of the issuer itself (DVA, debit value adjustment).
The Funding Value Adjustments (FVA) are required to incorporate market-implicit financing costs into the fair value of derivative positions. The FVA reflects a discount spread applied to uncollateralised and partially collateralised derivatives and is determined by assessing the market-implied financing costs on both assets and liabilities.

As regards forward foreign exchange transactions, the revaluation exchange rate was determined on the basis of year-end quotations for the respective contractual maturities of outrights and swaps: forward exchange rates are determined, as is well known, by the spot rates of the respective currencies to which are added, as a premium or discount, the "forward points" given by the rate differentials between the euro and foreign currencies. The forward rate is calculated using an interpolation mechanism for contract maturities that do not match the price intervals.

Level 3 – Derivatives
This category, present in 2024 and 2023, includes a small number of swaps and caps on interest rates which refer to "back-to-back" transactions carried out by the parent company and with the counterparties being, on the one hand, domestic corporate customers and on the other hand Deutsche Bank AG based in Frankfurt.
The transactions entail a closed market risk.

Level 3 – Equity securities included in the portfolio of financial assets mandatorily measured at fair value through profit or loss (FVTPL)

For equity securities measured at fair value, a method based on market multiples was mainly used, when reflecting better the fair value to be attributed in the financial statements to the securities subject to valuation, compared to income methods based on the discounting of expected cash flows ("Discounted Cash Flows" and "Dividend discounted model" methods).
In particular, for the valuation of the interests in CRIF S.p.A. and MTS S.p.A., an approach based on multiples of EBITDA (earnings before interest, taxes, depreciation and amortisation) and net profit for the year (P/E, price/earnings) was used.
For VISA, the unlisted US dollar class C shares in the portfolio were valued by means of a conversion ratio to the listed class A shares and using an internal Deutsche Bank valuation model.

With this type of approach, it is possible to estimate the company value (enterprise value - "EV") by identifying the relationship between the EV and the EBITDA (or the P/E) of a comparable observable subject, and applying this ratio to the EBITDA (or P/E) of the subject whose valuation is to be estimated.

A high EV/EBITDA and/or P/E multiple produces a higher fair value.
The values of EBITDA and net profits have been taken from the official financial statements of the companies and appropriately normalised to eliminate the impact of non-recurring components and/or components extraneous to typical business transactions.
The multiples were identified using those observable on the market for comparable Italian and foreign companies and determining the average of the values recorded for the years 2022, 2023 and 2024. In particular, the value of the first quartile of the distribution of the assessed values was used, favouring a conservative approach.
If there are significant differences between the enterprise value derived from the EBITDA multiple and that derived from the P/E ratio, the average value is calculated.
The enterprise value is then adjusted by the amount of the net financial position to arrive at the equity value, i.e. the value to be attributed to the shareholding, with a possible adjustment to take into account the liquidity of the share.

Applying this approach to illiquid securities requires a liquidity correction to take account of the difference in the level of liquidity between the normally listed comparable companies used and the company being measured.
In the three cases in question, a difference of 20% was applied.
In other cases, valuations were also based on income methods that quantified the value of companies by capitalising the average normal operating income using the weighted average cost of capital (WACC) and the net financial position.
When the financial position is structurally positive for the purposes of calculating the WACC, only the cost of equity Ke is considered, while the cost of financial debt Kd, i.e. the interest rate at which it was assumed that the company under assessment could have financed itself, is not.

The method applied by Deutsche Bank S.p.A. is part of the Gordon growth model, a method that determines the intrinsic value of a share based on a number of future dividends that grow at a constant rate: after having determined a dividend payable in one year and subsequently defined the constant rate at which the dividend will grow over time, the model calculates the present value of future dividends.

The CAPM (capital asset pricing model) is used to estimate the cost of equity (Ke):

$$Ke = Rf + Beta * (Rm - Rf) + ARP$$

where:

Rf = the risk-free rate parameter increased by the country risk premium, generally quantified by the average annual yield on 10-year Treasury bonds issued by the Italian government.

The *Beta* was calculated considering the investees' operating characteristics and average data of their business sectors.

Rm – Rf = the market risk premium is set on the basis of data available in the Damodaran database.

ARP = Additional Risk Premium, that is, the additional yield required of a rational investor who invests in small or unlisted companies, the investment in which is of lesser liquidity, or with situations such as a limited diversification of business risks in terms of customers served or the variety of the product range or services offered.
The values applied to this parameter for the valuations carried out for the financial statements at 31 December 2024 were set at 200 basis points.

The estimate of average normalised operating income is based on an analysis of the companies' historical financial statements, as budget data and/or medium-term plans cannot be used.
The validity of the estimates is tested using alternative calculation methods.

A.4.2 Valuation processes and sensitivity

In the case of valuations carried out using the market multiples method, values were determined that fell within the most prudent part of the values between the minimum and maximum data: the use of the multiples of the first quartile of the distribution therefore made it possible to obtain valuations with a margin of "safety", a margin enlarged by a haircut of 20% on the equity values obtained from the valuations.

Regarding Level 3 interest rate derivatives, given their status as transactions bearing a closed market risk, the change in the valuation parameters produces effects that offset each other, net of the different impact of the CVA/DVA adjustments, and in any case for insignificant amounts.

A.4.3 Fair value hierarchy

The composition of the portfolios of financial instruments broken down into three levels of fair value remained stable in 2024 and 2023. To this end, it is noted that Level 2 includes only over-the-counter derivative contracts which, due to their characteristics, are not eligible for listing on regulated markets.
At 31 December 2024, as well as at 31 December 2023, the valuation of the VISA shareholding is processed, starting from the conversion ratio with the listed VISA class A shares, with an internal valuation model of Deutsche Bank.

Finally, non-financial assets and liabilities measured at fair value on a recurring basis are not reported.

A.4.4 Other information

The Group companies (specifically Deutsche Bank S.p.A.) did not avail of the option to measure the fair value of a group of financial assets and liabilities on the basis of the price that would be received to sell a net long position (i.e., an asset) for a particular risk exposure or paid to transfer a net short position (i.e., a liability) for a particular risk exposure in an orderly transaction between market participants (IFRS 13.48/51).

There are no relevant cases to be disclosed based on paragraph 93(i) of IFRS 13 on non-financial assets whose effective use differs from its highest and best use.

Quantitative information

A.4.5 Fair value hierarchy

The following table provides a breakdown of the type of valuation approach for financial assets and liabilities measured at fair value at 31 December 2024, compared with the figures of the previous year.

A.4.5.1 Financial assets/liabilities measured at fair value on a recurring basis: breakdown by fair value levels

Financial assets/liabilities measured at fair value	Data at 31 December 2024			Data at 31 December 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Prices quoted in active markets	Valuation based on observable market inputs	Valuation based on unobservable market inputs	Prices quoted in active markets	Valuation based on observable market inputs	Valuation based on unobservable market inputs
1. Financial assets measured at fair value through profit or loss						
a) financial assets held for trading	65	66,996	2	6	95,782	30
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	39,800	-	501	40,222
2. Financial assets measured at fair value through other comprehensive income						
3. Hedging derivatives	-	4,483	-	-	5,007	-
4. Property, equipment and investment property	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total financial assets at fair value	**65**	**71,479**	**39,802**	**6**	**101,290**	**40,252**
Financial liabilities at fair value						
1 Financial liabilities held for trading	64	69,288	2	8	96,075	30
2 Financial liabilities designated at fair value	-	-	-	-	-	-
3 Hedging derivatives	-	-	-	-	-	-
Total financial liabilities at fair value	**64**	**69,288**	**2**	**8**	**96,075**	**30**

With reference to the values of derivative contracts reported in the previous tables, the application of the valuation model for CVA and DVA adjustments resulted in an aggregate negative value at 31 December 2024 equal to €806 thousand of change in the fair value of the derivative contracts calculated at that date, compared to the equivalent negative adjustment of €110 thousand in 2023; the overall impact on the income statement for the year 2024, therefore, amounted to €696 thousand in costs.
At 31 December 2024, the cumulative fair value adjustment component relating to FundVA reflected in the income statement amounted to €448 thousand in costs; last year it amounted to €391 thousand in revenues.

In 2024 and 2023 there were no transfers of financial assets and liabilities between levels 1 and 2 of the fair value hierarchy.

A.4.5.2 Annual changes in assets and liabilities measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, equipment and investment property	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening balances	**40,252**	30	-	40,222		-	-	-
2. Increases								
2.1 Purchases	-	-	-			-	-	-
2.2 Profits recognised in:	-							
2.2.1 Income statement	2,680	2	-	2,678		-	-	-
- of which gains on sales	2,681	*3*	-	*2,678*		-	-	-
2.2.2 Equity	-	X	X	-		-	-	-
2.3 Transfers from other levels	-	-	-			-	-	-
2.4 Other increases	-	-	-	-		-	-	-
3. Decreases								
3.1 Sales	-	-	-			-	-	-
3.2 Repayments	-	-	-	-		-	-	-
3.3 Losses recognised in:								
3.3.1 Income statement	(3,100)	-	-	(3,100)		-	-	-
- of which losses on sales	*(3,100)*	-	-	*(3,100)*		-	-	-
3.3.2 Equity		X	X	-		-	-	-
3.4 Transfers to other levels	(30)	(30)	-	-		-	-	-
3.5 Other decreases	-	-	-	-		-	-	-
4. Closing inventories	**39,802**	2	-	39,800		-	-	-

The transfers from level 3 are associated with changes in the observability of the input parameters.

A.4.5.3 Annual changes in financial liabilities measured at fair value on a recurring basis (level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening balances	**30**	-	-
2. Increases			
2.1 Purchases	-	-	-
2.2 Losses recognised in:			
2.2.1 Income statement	2	-	-
- of which losses on sales	*3*	-	-
2.2.2 Equity	X	X	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases		-	-
3. Decreases			
3.1 Repayments	-	-	-
3.2 Repurchases	-	-	-
3.3 Profits recognised in:			
3.3.1 Income statement	-	-	-
- of which gains on sales	-	-	-
3.3.2 Equity	X	X	-
3.4 Transfers to other levels	(30)	-	-
3.5 Other decreases	-	-	-
4. Closing inventories	**2**	-	-

A.4.5.4 Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	Data at 31 December 2024				Data at 31 December 2023			
	carrying amount	Level 1	Level 2	Level 3	carrying amount	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	24,246,714	-	4,373,559	19,608,097	27,187,559	-	6,872,545	19,721,822
of which Loans and receivables with banks	*4,422,634*	-	*4,373,559*	-	*6,987,826*	-	*6,872,545*	-
of which Loans and receivables with customers	*19,824,080*	-	-	*19,608,097*	*20,199,733*	-	-	*19,721,822*
2. Investment property	-	-	-	-	-	-	-	-
3. Non-current assets and groups of assets held for sale	-	-	-	-	-	-	-	-
Total	24,246,714	-	4,373,559	19,608,097	27,187,559	-	6,872,545	19,721,822
1. Financial liabilities measured at amortised cost	26,906,560	-	27,079,503	-	29,393,572	-	29,463,191	-
of which Due to banks	*11,819,746*	-	*11,992,193*	-	*14,948,119*	-	*15,017,740*	-
of which Due to customers	*14,961,179*	-	*14,961,675*	-	*14,217,885*	-	*14,217,885*	-
of which Securities issued	*125,635*	-	*125,635*	-	*227,568*	-	*227,566*	-
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	26,906,560	-	27,079,503	-	29,393,572	-	29,463,191	-

A.5 Information on the so-called "day one profit/loss"

Under IFRS 9, a financial instrument should be initially recognised at an amount that is equal to its fair value, which is generally considered to be the price paid/collected for its trading. However, in practice the two amounts may sometimes differ.
In these cases, the standard stipulates that a financial instrument can be recognised at a fair value different from the amount paid/collected only if the fair value is determined:
• using prices from current and observable market transactions in the same instrument;
• using valuation techniques exclusively based on observable market data.
In other words, IFRS 9 states that the presumption that the fair value is equal to the price paid/collected can be rebutted only if it is determined using the most objective method available, i.e., reducing valuation discretion to the minimum.
The difference between fair value and negotiated price, when the above conditions are met, is called the "day one profit" and is immediately recognised in the income statement.

If, conversely, fair value measurement is based on internal models:
- in the case of a fair value gain, the day one profit is deferred over the financial instrument's expected life, with the possible recognition of the remaining profit when one or more than one of the valuation inputs used become data observable on an active market;
- in the case of a fair value loss, it is recognised directly in the income statement.

For the years 2023 and 2024, no profits or losses were recognised related to financial instruments whose valuation is based on internal models.
In 2020, €1,901 thousand of day one profits were deferred due to the non-observability on the market of certain valuation parameters relating to the credit risk component: the amount recognised in the 2024 income statement was €315 thousand, the amount recognised in the 2023 income statement was €315 thousand, the amount recognised in the 2022 income statement was €317 thousand, the amount recognised in the 2021 income statement was €314 thousand, while in 2020 it amounted to €100 thousand, with the remaining €540 thousand at the end of 2024 deferred to future years. In addition, there are no residual values deferred in years prior to 2024 whose recognition in the income statement is still in progress.

PART B - NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

All the figures in these Notes are in thousands of euro, unless stated otherwise.

All the companies included in these Consolidated Financial Statements as at and for the year ended 31 December 2024 belong to the banking group.

Assets

Section 1

Cash and cash equivalents - Item 10

1.1 Cash and cash equivalents: breakdown

	Total 31.12.2024	**Total 31.12.2023**
a) Cash	91,700	102,790
b) Demand deposits with central banks	1,157,496	1,130,251
c) Current accounts and demand deposits with banks	3,633,102	2,486,819
Total	**4,882,298**	**3,719,860**

Section 2 - Financial assets measured at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: product breakdown

Items/Amounts	Total 31.12.2024			Total 31.12.2023		
	L1	L2	L3	L1	L2	L3
A. On-statement of financial position assets						
1. Debt instruments	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt instruments	-	-	-	-	-	-
2. Equity securities	-	-	-	-	-	-
3. OEIC units	-	-	-	-	-	-
4. Financing	-	-	-	-	-	-
4.1 Reverse purchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	**-**	**-**	**-**	**-**	**-**	**-**
B. Derivatives						
1. Financial derivatives:	65	66,996	2	6	95,782	30
1.1 trading	65	66,996	2	6	95,782	30
1.2 associated with fair value option	-	-	-	-	-	-
1.3 others	-	-	-	-	-	-
2. Credit derivatives:	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 associated with fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	**65**	**66,996**	**2**	**6**	**95,782**	**30**
Total (A+B)	**65**	**66,996**	**2**	**6**	**95,782**	**30**

The balance mainly consists of interest rate derivatives (IRS and IRO Cap) for €56.5 million (€88.9 million in 2023); the remaining €10.5 million consists of foreign exchange options and foreign exchange forward contracts (€6.9 million in 2023).
The operations carried out by the Bank relate to contracts entered into with corporate customers (mainly in the mid-cap and SME sectors) whose market risk is closed out with equal and opposite transactions with Deutsche Bank AG.

L1 = Level 1
L2 = Level 2
L3 = Level 3

2.2 Financial assets held for trading: breakdown by debtors/issuers

Items/Amounts	Total 31.12.2024	Total 31.12.2023
A. On-statement of financial position assets		
1. Debt instruments	-	-
a) Central banks	-	-
b) Public authorities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity securities	-	-
a) Banks	-	-
b) Other financial companies	-	-
of which: insurance companies	-	-
c) Non-financial companies	-	-
d) Other issuers	-	-
3. OEIC units	-	-
4. Financing	-	-
a) Central banks	-	-
b) Public authorities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total A	-	-
B. Derivatives		
a) Central counterparties	-	-
b) Other	67,063	95,818
Total B	**67,063**	**95,818**
Total A + B	**67,063**	**95,818**

Derivative contracts are stipulated with corporate customers and as regards banking counterparties exclusively with banks belonging to the Deutsche Bank AG Group.

2.3 Financial assets designated at fair value: product breakdown

None.

2.4 Financial assets designated at fair value: breakdown by debtors/issuers

None.

2.5 Other financial assets mandatorily measured at fair value: product breakdown

Items/Amounts	Total 31.12 2024			Total 31.12 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt instruments	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt instruments	-	-	-	-	-	-
2. Equity securities	-	-	39,800	-	501	40,222
3. OEIC units	-	-	-	-	-	-
4. Financing	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	**-**	**-**	**39,800**	**-**	**501**	**40,222**

The decrease of €-0.9 million reported in the 2024 financial year is attributable to valuation effects that resulted in a change in the fair value of securities of €-0.4 million and the sale of Ferroli SFPs for €-0.5 million. The valuation changes are attributable to the CRIF shares for €+0.2 million, to the VISA dollar shares for €-3.1 million and the MTS shares for €+2.5 million.

As described in Part A of the Notes to the Financial Statements in the section on methods for determining fair value, equity securities were mainly measured at fair value using a method based on market multiples, when reflecting better the fair value to be attributed in the Financial Statements to the securities subject to measurement, compared to income methods based on the discounting of expected cash flows ("Discounted Cash Flows" and "Dividend discounted model" methods).

In particular, for the valuation of the interests in CRIF S.p.A. and MTS S.p.A., an approach based on multiples of EBITDA (earnings before interest, taxes, depreciation and amortisation) and net profit for the year (P/E, price/earnings) was used.

For the company VISA, reference was made to the price of the ordinary share and the market discount factors applicable for the classes of shares owned by the Bank.

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtors/issuers

Items/Amounts	Total 31 12 2024	Total 31 12 2023
1. Equity securities	**39,800**	**40,723**
of which: banks	-	-
of which: other financial companies	6,255	9,355
of which: other non-financial companies	33,545	31,368
2. Debt instruments	**-**	**-**
a) Central banks	-	-
b) Public authorities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
3. OEIC units	**-**	**-**
4. Financing	-	-
a) Central banks	-	-
b) Public authorities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**39,800**	**40,723**

Section 3 - Financial assets measured at fair value through other comprehensive income - Item 30

At 31 December 2024, there were no financial assets measured at fair value through other comprehensive income.

Section 4 - Financial assets measured at amortised cost - Item 40

4.1 Financial assets measured at amortised cost: product breakdown of loans and receivables with banks

Transaction type/Amounts	Total at 31 December 2024						Total at 31 December 2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	Purchased or originated credit impaired	Level 1	Level 2	Level 3	First and second stage	Third stage	Purchased or originated credit impaired	Level 1	Level 2	Level 3
A. Loans and receivables with central banks	140,919	-	-	-	140,919	-	143,271	-	-	-	143,271	-
1. Maturity deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Mandatory reserve	140,919	-	-	X	X	X	143,271	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Loans and receivables with banks	4,281,715	-	-	-	4,232,640	-	6,844,555	-	-	-	6,729,274	-
1. Financing	4,281,715	-	-	-	4,232,640		6,844,555	-	-	-	6,729,274	-
1.1 Current accounts			-	X	X	X			-	X	X	X
1.2 Maturity deposits	4,278,863	-	-	X	X	X	6,835,019	-	-	X	X	X
1.3 Other financing:	2,852	-	-	X	X	X	9,536	-	-	X	X	X
Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
Lease financing	-	-	-	X	X	X	-	-	-	X	X	X
Other	2,852	-	-	X	X	X	9,536	-	-	X	X	X
2. Debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
Total (carrying amount)	4,422,634	-	-	-	4,373,559	-	6,987,826	-	-	-	6,872,545	-

Loans and receivables with banks show a decrease of 36.71% compared to 31 December 2023.
While loans and receivables with central banks remained stable compared with the previous year, other loans and receivables with banks decreased mainly due to the use of cash collected by the ultimate parent company for the repayment of the TLTRO III agreement: this TLTRO III agreement provided for two loans totalling €3.5 billion, which were repaid in full in March 2024.

4.2 Financial assets measured at amortised cost: product breakdown of loans and receivables with customers

Transaction type/Amounts	Total 31 12 2024						Total 31 12 2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	Purchased or originated credit impaired	Level 1	Level 2	Level 3	First and second stage	Third stage	Purchased or originated credit impaired	Level 1	Level 2	Level 3
1. Financing	**19,333,384**	**483,908**	**6,788**	**-**	**-**	**19,608,097**	**19,693,601**	**502,120**	**4,012**	**-**	**-**	**19,721,822**
1.1 Current accounts	1,319,487	24,551	38	X	X	X	1,366,517	21,896	42	X	X	X
1.2 Reverse purchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
1.3 Mortgages	6,215,006	164,503	1,794	X	X	X	7,322,072	182,276	1,951	X	X	X
1.4 Credit cards, personal loans and salary-backed loans	7,399,351	65,412	438	X	X	X	6,764,001	68,053	222	X	X	X
1.5 Lease financing	-	-	-	X	X	X	-	-	-	X	X	X
1.6 Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7 Other financing	4,399,540	229,442	4,518	X	X	X	4,241,011	229,895	1,797	X	X	X
2. Debt instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Other debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
Total	**19,333,384**	**483,908**	**6,788**	**-**	**-**	**19,608,097**	**19,693,601**	**502,120**	**4,012**	**-**	**-**	**19,721,822**

4.3 Financial assets measured at amortised cost: breakdown of loans and receivables with customers by debtors/issuers

Transaction type/Amounts	Total 31 12 2024			Total 31 12 2023		
	First and second stage	Third stage	Purchased or originated credit impaired	First and second stage	Third stage	Purchased or originated credit impaired
1. Debt instruments	**-**	**-**	**-**	**-**	**-**	**-**
a) Public authorities	-	-	-	-	-	-
b) Other financial companies	-	-	-	-	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
2. Financing to:	**19,333,384**	**483,908**	**6,788**	**19,693,601**	**502,120**	**4,012**
a) Public authorities	39,418	98,296	**-**	72,913	**121,860**	**-**
b) Other financial companies	1,082,060	444	-	838,235	1,753	-
of which: insurance companies	40	-	-	35	-	-
c) Non-financial companies	6,756,674	269,004	4,589	7,274,087	255,509	1,924
d) Households	11,455,232	116,164	2,199	11,508,366	122,998	2,088
Total	**19,333,384**	**483,908**	**6,788**	**19,693,601**	**502,120**	**4,012**

4.4 Financial assets measured at amortised cost: gross value and total value adjustments

	Gross value					Total value adjustments				Write-offs
	First stage		Second stage	Third stage	Purchased or originated credit impaired	First stage	Second stage	Third stage	Purchased or originated credit impaired	partial overall
		of which: Instruments with low credit risk								(*)
Debt instruments	-	-	-	-	-	-	-	-	-	-
Financing	16,762,848	12,296,433	7,133,592	1,009,184	11,875	56,919	83,503	525,276	5,087	32,297
Total at 31 12 2024	16,762,848	12,296,433	7,133,592	1,009,184	11,875	56,919	83,503	525,276	5,087	32,297
Total 31 12 2023	24,352,437	12,678,116	2,447,987	1,045,878	8,723	61,433	57,564	543,758	4,711	20,546

(*) Value to be disclosed for information purposes

Section 5 - Hedging derivatives - Item 50

5.1 Hedging derivatives: breakdown by hedge type and level

	FV (31.12.2024)			NA	FV (31.12.2023)			NA
	L1	L2	L3	31.12.2024	L1	L2	L3	31.12.2023
A. Financial derivatives	-	4,483	-	50,000	-	5,007	-	50,000
1) Fair value	-	4,483	-	50,000	-	5,007	-	50,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total (A+B)	-	4,483	-	50,000	-	5,007	-	50,000

Key L1 = Level 1
FV = fair value L2 = Level 2
NA = notional amount L3 = Level 3

This item shows the fair values as at the reporting date of derivatives used by the parent company to hedge interest rate risk (fair value hedge) of long-term fixed-rate deposits received from banks: hedging relationships are of the micro-hedging type.

5.2 Hedging derivatives: breakdown by hedged portfolio and hedge type (carrying amount)

Transaction/Type of hedge	Fair value							Cash flows		Investments in foreign operations
	Specific						Generic	Specific	Generic	
	debt instruments and interest rates	equity securities and share indexes	currencies and gold	credit	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	-	X	-	-	X	X	X	-	X	X
4. Portfolio	X	X	X	X	X	X	-	X	-	X
5. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	-	-	-	-	-	-	-
1. Financial liabilities	4,483	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	4,483	X	-	-	-	-	-	-	-	X
1. Expected transactions	X	X	X	X	X		X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Hedged financial liabilities comprise a long-term fixed-rate term deposit received from the holding company Deutsche Bank AG, as part of the more general activity of managing the interest rate risk implicit in the provision of fixed-rate loans to customers.

Section 6 - Adjustments to macro-hedged financial assets - Item 60

None at the reporting date.

Section 7 - Equity investments - Item 70

7.1 Equity investments: information on equity investments

None at 31 December 2024.

7.2 Significant equity investments: carrying amount, fair value and dividends received

None at 31 December 2024.

7.3 Significant equity investments: accounting information

None at 31 December 2024.

7.4 Non-significant equity investments: accounting information

None.

7.5 Equity investments: annual changes

None.

7.6 Significant assessments and assumptions to determine the existence of joint control or significant influence

In the case of Prestipay S.p.A., significant influence was inferred both from the shareholding and the agreements between the shareholders.

7.7 Commitments related to equity investments in jointly controlled companies

None.

7.8 Commitments related to equity investments in companies subject to significant influence

None.

7.9 Significant restrictions

None at the date of these Financial Statements.

7.10 Other information

Nothing relevant to report.

Section 8 - Technical reserves of reinsurers - Item 80

None at the reporting date.

Section 9 - Property, equipment and investment property - Item 90

9.1 Property, equipment and investment property for functional use: breakdown of assets valued at cost

Assets/Amounts	Total 31.12.2024	Total 31.12.2023
1 Owned assets	107,963	94,030
a) land	49,983	49,983
b) buildings	49,921	33,463
c) furniture	3,815	3,373
d) electronic systems	296	414
e) other	3,948	6,797
2 Rights of use acquired through leasing	106,180	106,805
a) land	-	-
b) buildings	102,975	104,291
c) furniture	-	-
d) electronic systems	-	-
e) others (motor vehicles)	3,205	2,514
Total	**214,143**	**200,835**
of which: obtained through the enforcement of the guarantees received	-	-

9.2 Property, equipment and investment property held for investment: breakdown of assets valued at cost

None at the reporting date.

9.3 Property, equipment and investment property for functional use: breakdown of revalued assets

None at the reporting date.

9.4 Property, equipment and investment property held for investment: breakdown of assets measured at fair value

None at the reporting date.

9.5 Inventories of property, equipment and investment property according to IAS 2: breakdown

None at the reporting date.

9.6 Property, equipment and investment property for functional use: annual changes

	Land	Buildings	Furniture	Electronic systems	Other	**Total**
A. Opening gross balance	**49,983**	**321,718**	**36,419**	**7,977**	**52,774**	**468,871**
A.1 Total net impairment losses	**-**	**(183,964)**	**(33,046)**	**(7,563)**	**(43,463)**	**(268,036)**
A.2 Opening net balance	**49,983**	**137,754**	**3,373**	**414**	**9,311**	**200,835**
B. Increases:	**-**	**62,044**	**971**	**134**	**2,389**	**65,538**
B.1 Purchases	-	62,044	908	94	2,389	65,435
B.2 Capitalised improvement costs	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Fair value gains recognised in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	X	X	X	-
B.7 Other changes	-	-	63	40	-	103
C. Decreases:	**-**	**(46,902)**	**(529)**	**(252)**	**(4,547)**	**(52,230)**
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	(30,240)	(529)	(252)	(4,503)	(35,524)
C.3 Impairment losses recognised in:	-	(1,476)	-	-	-	(1,476)
a) equity	-	-	-	-	-	-
b) income statement	-	(1,476)	-	-	-	(1,476)
C.4 Fair value losses recognised in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Exchange rate losses	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) investment property	-	-	X	X	X	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	(15,186)	-	-	(44)	(15,230)
D. Closing net balance	**49,983**	**152,896**	**3,815**	**296**	**7,153**	**214,143**
D.1 Total net impairment losses	**-**	**(183,241)**	**(32,010)**	**(7,343)**	**(31,899)**	**(254,493)**
D.2 **Gross closing balance**	**49,983**	**336,137**	**35,825**	**7,639**	**39,052**	**468,636**
E. Measurement at cost	**49,983**	**152,896**	**3,815**	**296**	**7,153**	**214,143**

During the financial year, the parent company recognised in the income statement the residual value of €1 million relating to invoices erroneously capitalised as assets in previous financial years.

During the financial year, the parent company reclassified various asset classes as a result of incorrect entries in previous financial years. The transfer was made at the residual net book value and, starting from the current financial year, has allowed depreciation calculated using the reference rates to be recognised in the income statement.

Finally, opening gross and net balances were reduced by the value of improvements and incremental expenses incurred on third-party assets that are non-identifiable and non-separable, and the net value was reclassified under item 130 - "Other assets".

Items "A Opening gross balance" and "A.1 Total net impairment losses" both reflect the derecognition of assets that have been fully depreciated.

9.7 Property, equipment and investment property held for investment: annual changes

None.

9.8 Property, equipment and investment property according to IAS 2: annual changes

None.

The useful lives of the assets (unchanged from previous year) used to calculate depreciation are set out below:

Categories	Useful life (in years)
- land	indefinite
- buildings	33
- furniture and fittings	7 - 8
- systems	4 - 13
- EAD electronic systems	4
- IT equipment	5
- non-IT equipment	4 - 8
- works of art	indefinite

9.9 Commitments to acquire property, equipment and investment property		
These commitments are as follows:		
- buildings		33
- furniture		152
- systems		-
- other		8,242
	Total	**8,427**

Section 10 - Intangible assets - Item 100

10.1 Intangible assets: breakdown by type of asset

Assets/Amounts	**Total 31.12.2024**		**Total 31.12.2023**	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill:	**X**		**X**	
A.1.1 Attributable to the Group	**X**	-	**X**	-
A.1.2 Attributable to non-controlling interests	**X**	-	**X**	-
A.2 Other intangible assets				
of which: software	25,916		29,226	
A.2.1 Assets measured at cost:				
a) Internally generated intangible assets	25,904	-	29,189	-
b) Other assets	12	-	37	-
A.2.2 Assets measured at fair value:				
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**25,916**	-	**29,226**	-

10.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: internally generated		Other intangible assets: other		Total
		FINITE	INDEF.	FINITE	INDEF.	
A. Opening gross balance	-	130,162	-	13,019	-	143,181
A.1 Total net impairment losses	-	100,973	-	12,982	-	113,955
A.2 **Opening net balance**	**-**	**29,189**	**-**	**37**	**-**	**29,226**
B. Increases						
B.1 Purchases	-	4,534	-		-	4,534
B.2 Increase in internally generated assets	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Fair value gains recognised in	-	-	-	-	-	-
- equity	-	-	-	-	-	-
- income statement	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Other changes	-	1	-	-	-	1
C. Decreases						
C.1 Sales	-	-	-	-	-	0
C.2 Value adjustments	-	(7,820)	-	(25)	-	(7,845)
- Amortisation	-	(7,820)	-	(25)	-	(7,845)
- Write-downs	-	-	-	-	-	-
+ equity	-	-	-	-	-	-
+ income statement	-	-	-		-	-
C.3 Fair value losses recognised in:	-	-	-	-	-	-
- equity	-	-	-	-	-	-
- income statement	-	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	-	-	-
C.5 Exchange rate losses	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Closing net balance	**-**	**25,904**	**-**	**12**	**-**	**25,916**
D.1 Total net value adjustments	-	(100,973)	-	(12,982)	-	(113,955)
E. Closing gross balance	-	126,877	-	12,994	-	139,871
F. Measurement at cost	-	25,904	-	12	-	25,916

Key
FINITE: finite duration
INDEF: indefinite duration

10.3 Other information

Intangible assets acquired under government concession	-
Intangible assets given to guarantee group liabilities	-
Commitments to acquire intangible assets	-
Intangible assets under finance lease	-

Commitments for the purchase of intangible assets amounted to a total of €0.

Section 11 - Tax assets and liabilities - Item 110 of assets and item 60 of liabilities

11.1 Deferred tax assets: breakdown

	Total 31.12.2024	Total 31.12.2023
Employee benefits	1	2
Allowance for impairment (cash and endorsement)	52,745	98,265
IFRS 9 FTA	27,816	34,770
Costs deductible in subsequent years (provisions and other costs)	21,509	36,287
Tax loss from recovery of excess credits Law no. 214/2011	9,492	18,996
Previous tax losses	76,056	76,504
Other financial statements items	1	-
Total	**187,620**	**264,824**

11.2 Deferred tax liabilities: breakdown

	Total 31.12.2024	Total 31.12.2023
Taxable revenues in subsequent years	460	-
Actuarial valuations IAS 19	628	-
Total	**1,088**	**-**

11.3 Changes in deferred tax assets (balancing entry in income statement)

	Total 31.12.2024	Total 31.12.2023
1. Opening balance	262,616	187,342
2. Increases		
2.1 Deferred tax assets recognised in the year	16,880	130,761
a) related to previous years	-	98,654
b) due to changes in accounting policies	-	-
c) reversals of impairment losses	-	-
d) other	16,880	32,107
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	1,865	-
3. Decreases		
3.1 Deferred tax assets derecognised in the year	76,765	55,487
a) reversals	76,760	55,481
b) impairment due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	5	6
3.2 Decreases in tax rates	-	-
3.3 Other decreases	19,239	-
a) conversion into tax credits as per Law no. 214/2011	19,237	-
b) other	2	-
4. Closing balance	**185,357**	**262,616**

The amount of item 2.3 Other increases refers to the posting of deferred tax liabilities relating to tax losses arising from excess credit adjustments pursuant to Law no. 214/2011.

11.4 Changes in deferred tax assets as per Law no. 214/2011 (balancing entry in income statement)

	Total 31.12.2024	Total 31.12.2023
1. Opening balance	98,261	146,455
2. Increases	-	-
3. Decreases		
3.1 Reversals	45,516	48,194
3.2 Conversion into tax credits	-	-
a) from the loss for the year	-	-
b) from tax losses	-	-
3.3 Other decreases	-	-
4. Closing balance	**52,745**	**98,261**

11.5 Changes in deferred tax liabilities (balancing entry in income statement)

	Total 31.12.2024	Total 31.12.2023
1. Opening balance	-	658
2. Increases		
2.1 Deferred tax liabilities recognised in the year	460	-
a) related to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	460	-
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	-	-
3. Decreases		
3.1 Deferred tax liabilities derecognised in the year	-	658
a) reversals	-	658
b) due to changes in accounting policies	-	-
c) other		
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**460**	**-**

11.6 Changes in deferred tax assets (balancing entry in equity)

	Total 31.12.2024	Total 31.12.2023
1. Opening balance	2,208	44
2. Increases		
2.1 Deferred tax assets recognised in the year	2,263	2,208
a) related to previous years		
b) due to changes in accounting policies	-	-
c) other	2,263	2,208
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases	-	-
3. Decreases		
3.1 Deferred tax assets derecognised in the year	2,208	44
a) reversals	2,208	44
b) impairment due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**2,263**	**2,208**

11.7 Changes in deferred tax liabilities (balancing entry in equity)

	Total 31.12.2024	Total 31.12.2023
1. Opening balance	-	648
2. Increases		
2.1 Deferred tax liabilities recognised in the year	628	-
a) related to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	628	
2.2 New taxes or increase in tax rates	-	-
2.3 Other increases		
3. Decreases		
3.1 Deferred tax liabilities derecognised in the year	-	648
a) reversals	-	648
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Decreases in tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**628**	**-**

11.8 Other information

The tables above provide descriptions of the temporary differences that led to the recognition of deferred tax assets and liabilities, and of the changes compared to the previous financial year, as required by Article 2427, paragraph 14, of the Italian Civil Code.

Section 12 - Non-current assets and groups of assets held for sale and associated liabilities - Asset item 120 and Liability item 70

None.

12.1 Non-current assets and groups of assets held for sale: breakdown by type of assets

None.

12.2 Other information

None.

Section 13 - Other assets - Item 130

13.1 Other assets: breakdown

	Total 31.12.2024	Total 31.12.2023
Adjustment for illiquid portions of the portfolio (Advance under reserve and DI)	163,730	129,039
Other items	306,496	338,256
Instructions to be carried out for customers and/or correspondent banks	72	3,562
Items in the course of collection between branches not attributed to pertinent accounts	4,988	6,672
Receivables for tax consolidation	433	179
Prepayments	68,525	64,280
Accrued income not related to the item itself	1,238	969
Suspended costs	1,051	-
Tax receivables	68,539	70,315
Insurance compensation receivables	1,994	3,739
Receivables for supplies of goods and services	28,147	21,620
Current account cheques drawn on other banks	7,422	11,240
Improvements to third party assets	10,844	9,500
Tax assets other than income tax assets	7	41
Receivables for Eco-Sisma Bonus	214,382	225,251
Total	**877,868**	**884,663**

"Other items" mainly refers to suspended items in progress.

The item "prepayments" includes the costs incurred to obtain contracts with customers.
In particular, these are the monetary incentives granted to customers for asset management contracts.
These costs are amortised over a period of five years by directly reducing the commission income charged to customers in the income statement.

If the customer closes the contract before five years have elapsed, the unamortised portion of the cost is immediately written off.

The item "improvements to third-party assets" includes improvements and incremental expenses incurred on third-party assets that are non-identifiable and non-separable.

LIABILITIES

Section 1 - Financial liabilities measured at amortised cost - Item 10

1.1 Financial liabilities measured at amortised cost: product breakdown of due to banks

Transaction type/Amounts	Total 31 12 2024				Total 31 12 2023			
	Carrying amount	fair value level 1	fair value level 2	fair value level 3	Carrying amount	fair value level 1	fair value level 2	fair value level 3
1. Due to central banks	**-**	X	X	X	**3,591,348**	X	X	X
2. Due to banks	**11,819,746**	X	X	X	**11,356,771**	X	X	X
2.1 Current accounts and demand deposits	246,453	X	X	X	327,688	X	X	X
2.2 Maturity deposits	10,987,009	X	X	X	10,399,097	X	X	X
2.3 Financing	520,000	X	X	X	520,000	X	X	X
2.3.1 Repurchase agreements	-	X	X	X	-	X	X	X
2.3.2 Other	520,000	X	X	X	520,000	X	X	X
2.4 Commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	1,367	X	X	X
2.6 Other payables	66,284	X	X	X	108,619	X	X	X
Total	**11,819,746**	**-**	**11,992,193**	**-**	**14,948,119**	**-**	**15,017,740**	**-**

Total due to banks decreased by 20.9% compared to 31 December 2023.
Due to central banks were cleared as a result of the repayment of the TLTRO III agreement in March 2024.
Other bank borrowings, on the other hand, show a slight increase (approximately €463 million) compared with the previous year.
This increase is attributable to a collection of term deposits with the ultimate parent company to protect the liquidity metrics of DB S.p.A.

1.2 Financial liabilities measured at amortised cost: product breakdown of due to customers

Transaction type/Amounts	Totale 31 12 2024				Totale 31 12 2023			
	Carrying amount	fair value level 1	fair value level 2	fair value level 3	Carrying amount	fair value level 1	fair value level 2	fair value level 3
1. Current accounts and demand deposits	13,231,858	X	X	X	12,676,693	X	X	X
2. Maturity deposits	1,020,470	X	X	X	810,289	X	X	X
3. Financing	-	X	X	X	-	X	X	X
3.1 Repurchase agreements	-	X	X	X	-	X	X	X
3.2 Others	-	X	X	X	-	X	X	X
4. Commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Lease payables	114,752	X	X	X	112,056	X	X	X
6. Other	594,099	X	X	X	618,847	X	X	X
Total	**14,961,179**	**-**	**14,961,675**	**-**	**14,217,885**	**-**	**14,217,885**	**-**

Due to customers show an increase of 5.2% compared to 31 December 2023.
The increase is mainly due to the rise in current accounts and demand/term deposits.

1.3 Financial liabilities measured at amortised cost: product breakdown of outstanding securities

Transaction type/Amounts	Totale 31 12 2024				Total 31 12 2023			
	Carrying amount	fair value level 1	fair value level 2	fair value level 3	Carrying amount	fair value level 1	fair value level 2	fair value level 3
A. Securities								
1. Bonds	-	-	-	-	-	-	-	-
1.1 Structured	-	-	-	-	-	-	-	-
1.2 Other		-	-	-		-	-	-
2. Other securities	125,635	-	125,635	-	227,568	-	227,566	-
2.1 Structured	-	-	-	-	-	-	-	-
2.2 Other	125,635	-	125,635	-	227,568	-	227,566	-
Total	**125,635**	**-**	**125,635**	**-**	**227,568**	**-**	**227,566**	**-**

The category of other securities consists of certificates of deposit.

1.4 Detail of payables/subordinated securities

At 31 December 2024, as well as 31 December 2023, the parent company has an outstanding subordinated loan with banks for a total amount of €520,000 thousand, detailed below:

Counterpart:	Deutsche Bank AG Frankfurt
Currency:	Euro
Loan start date:	28 January 2022
Reimbursement date:	28 January 2032
Interest rate:	Coupon frequency: quarterly
	Rate: indexed to 3M Euribor + 1.85%
Book balance (nominal value):	520,000 thousand euros

There is no provision for early repayment upon initiative of the Bank.
Should the Bank be wound up, the liability will only be repaid after all not equally subordinated creditors have been paid.

1.5 Details of structured debts

None.

1.6 Lease payables	31 12 2024	31 12 2023
Payables to lessors - leases of properties for functional use	111,613	110,994
Payables to lessors - company car leasing	3,139	2,429
Total	**114,752**	**113,423**

The payable to lessors has the following residual maturities at 31 December 2024 and 2023:

	31 12 2024	31 12 2023
Payables due within the year	26,894	29,187
Payables due in one to two years	24,097	27,452
Payable due in two to five years	47,942	47,556
Payable due beyond five years	15,819	9,228
Total	**114,752**	**113,423**

The expected payments (in nominal value) for the set out contractual durations of the lease agreements in place at 31 December 2024 and 2023 are as follows:

	31 12 2024	31 12 2023
within twelve months	29,352	30,996
in one to two years	25,943	28,739
in two to five years	51,130	49,618
over five years	15,987	9,112
Total	**122,411**	**118,465**

Section 2 - Financial liabilities held for trading - Item 20

2.1 Financial liabilities held for trading: product breakdown

Transaction types/Group components	Total 31.12.2024					Total 31.12.2023				
	NA	FV			FV *	NA	FV			FV *
		L1	L2	L3			L1	L2	L3	
A. On-statement of financial position liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt instruments	-	-	-	-		-	-	-	-	
3.1 Bonds	-	-	-	-		-	-	-	-	
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-		-	-	-	-	
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	-	-	-	-	-	-	-	-	-	-
B. Derivatives										
1. Financial derivatives		64	69,288	2			8	96,075	30	
1.1 Trading	X	64	69,288	2	X	X	8	96,075	30	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Others	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives		-	-	-			-	-	-	
2.1 Trading	X	-	-	-	X	X	-	-	-	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Others	X	-	-	-	X	X	-	-	-	X
Total B	**X**	**64**	**69,288**	**2**	**X**	**X**	**8**	**96,075**	**30**	**X**
Total (A + B)	**-**	**64**	**69,288**	**2**	**-**	**-**	**8**	**96,075**	**30**	**-**

Key
FV = fair value

NA = nominal or notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

The balance mainly consists of interest rate derivatives (IRS and IRO Cap) for €58.9 million (€89.1 million in 2023); the remainder of €10.5 million consists of foreign exchange options and forward foreign exchange contracts (€7.0 million in 2023).
The operations carried out by the parent company relate to contracts entered into with corporate customers (mainly in the mid-cap and SME sectors) whose market risk is closed out with equal and opposite transactions with Deutsche Bank AG.

2.2 Detail of "Financial liabilities held for trading": subordinated liabilities

None.

2.3 Details of "Financial liabilities held for trading": structured debts

None.

Section 3 - Financial liabilities designated at fair value - Item 30

None.

Section 4 - Hedging derivatives - Item 40

4.1 Hedging derivatives: breakdown by hedge type and level

None at 31 December 2024 and 31 December 2023.

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

None at 31 December 2024 and 31 December 2023.

Section 5 - Adjustments to macro-hedged financial liabilities - Item 50

None.

Section 6 - Tax liabilities - Item 60

See section 11 of Assets.

Section 7 - Liabilities associated with groups of assets held for sale - Item 70

See section 12 of Assets.

Section 8 - Other liabilities - Item 80

8.1 Other liabilities: breakdown

	Total 31.12.2024	Total 31.12.2023
Amounts available to customers/banks for future transactions	3,690	5,790
Payables due to personnel expense	65,801	52,345
Items in transit	12,812	19,204
Pending bank accounts	166,011	88,585
Sundry taxes to be paid on behalf of customers	30,317	36,842
Payables to social security institutions and tax authorities for contributions and withholdings	18,785	19,387
Trade payables and invoices expected	106,023	118,517
Payables for internal restructuring projects	46,386	40,477
Accrued expenses not related to the item itself	13,619	7,426
Deferred income	17,391	18,190
Payables for tax consolidation	76	91
Instalments not yet due of consumer credit financing collected from customers	6,700	9,548
Other items	108,748	119,047
Consolidation adjustments	48	24
Total	**596,407**	**535,473**

Section 9 - Post-employment benefits - Item 90

9.1 Post-employment benefits: annual changes

	Total 31.12.2024	Total 31.12.2023
A. Opening balance	9,649	11,101
B. Increases		
B.1 Accruals for the year	309	319
B.2 Other changes	3	6
C. Decreases		
C.1 Payments made	1,744	1,512
C.2 Other changes	430	265
D. Closing balance	**7,787**	**9,649**

9.2 Other information

Post-employment benefits classify as a defined benefit plan and, as such, are subject to actuarial valuation.

The main actuarial assumptions adopted to value the benefits are as follows:

	used for economic effects 2024	used on the date of 31-12-2024
- Economic assumptions		
annual discount rate	3.33%	3.52%
annual increase in cost of living	2.30%	2.06%
- Demographic assumptions		
probability of an employee's death	ISTAT2020	
probability of an employee's disability	unisex tables identified on the basis of a study conducted by the CNR on behalf of the University of Rome reduced by 60%	

Section 10 - Provisions for risks and charges - Item 100

10.1 Provisions for risks and charges: breakdown

Items/Components	Total 31.12.2024	Total 31.12.2023
1. Provisions for credit risk related to commitments and financial guarantees issued	10,976	16,104
2. Provisions for other commitments and other guarantees issued	9,341	15,572
3. Internal pension funds	1,479	1,230
4. Other provisions for risks and charges	71,904	99,762
4.1 legal disputes	23,157	22,426
4.2 personnel expense	17,875	17,656
4.3 corporate reorganization	2,535	30,586
4.4 others	28,337	29,094
Total	**93,700**	**132,668**

The provisions for risks and charges include, starting from 2018, the provision related to commitments and guarantees issued, calculated pursuant to the criteria of IFRS 9.
Previously, this provision was included among other liabilities.

10.2 Provisions for risks and charges: annual changes

Items/Components	Provisions for other commitments and other guarantees	Pension funds	Other provisions for risks and charges	Total
A. Opening balance	15,572	1,230	99,762	116,564
B. Increases				
B.1 Accruals for the year	-	206	27,013	27,219
B.2 Changes due to the passage of time	-	43	382	425
B.3 Changes due to changes in discount rate	-	-	-	-
B.4 Other changes		-	106	106
C. Decreases				
C.1 Utilisation during the year	-	-	49,708	49,708
C.2 Changes due to variable discount rate	-	-	-	-
C.3 Other changes	6,231	-	5,651	11,882
D. Closing balance	**9,341**	**1,479**	**71,904**	**82,724**

Utilisations for the year include, among the main items, the amount of €26,861 thousand related to the utilisation of charges set aside for the personnel solidarity fund established in past years, the amount of €6,678 thousand related to the utilisation of charges set aside for employee bonuses, and the amount of €12,088 thousand related to the utilisation of charges set aside for the provision for legal disputes.

10.3 Provisions for credit risk related to commitments and financial guarantees issued

	guarantees issued				
	First stage	Second stage	Third stage	Purchased or originated credit impaired	**Total**
1. Commitments to disburse funds	6,032	1,600	2,110	-	9,742
2. Financial guarantees issued	375	220	639	-	1,234
Total at 31 December 2024	**6,407**	**1,820**	**2,749**	**-**	**10,976**
Total at 31 December 2023	**10,589**	**2,485**	**3,030**	**-**	**16,104**

10.4 Provisions for other commitments and other guarantees issued

Guarantees of a commercial nature at 31 December 2024 amounted to €9.3 million, the previous year they amounted to €15.6 million.

10.5 Defined benefit internal pension funds

The pension funds at 31 December 2024 refer to the agents' termination benefits (FISC), treated as a defined benefit plan. In 2013, following the merger of the subsidiary New Prestitempo S.p.A., its relations with the agency network at 31 December 2012 were transferred to the parent company, including the above agents' termination benefits (FISC), which comprise amounts due to agents when they retire, for permanent disability, death and termination of the agency contract by the bank (Article 1751 of the Italian Civil Code).
The agents' termination benefits, as they are offered to agents, and not to employees, fall within the scope of IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). The valuations required by the standard can be carried out using different methodologies.

Given that the agents' termination benefits for agents and post-employment benefits for employees are quite similar, the parent company decided to use the same method adopted under IAS 19 to measure post-employment benefits for the agents' termination benefits.
Given their nature, agents' termination benefits have no legal personality and the amount accrued is invested in the parent company's assets.

The main assumptions adopted at 31 December 2024 in the actuarial valuation required by IAS 19 for defined benefit plans are as follows:

- Financial assumptions	
annual discount rate	3.32%
annual increase in cost of living	2.03%
increase in annual provisions	4.03%
- Demographic assumptions	
probability of an agent's death	ISTAT2020
probability of an agent's disability	unisex tables identified on the basis of a study conducted by the CNR on behalf of the University of Rome reduced by 60%

10.6 Provisions for risks and charges - other provisions

Other provisions comprise:
- legal disputes: the provision mainly includes accruals made to cover losses arising from lawsuits;

- personnel expense: the provision includes charges for seniority and loyalty bonuses, as well as charges related to health coverage granted to employees no longer in service.

The main assumptions adopted in the valuation of the two plans carried out at 31 December 2024 are as follows:

Seniority and loyalty bonuses	
- Economic assumptions	
annual discount rate	3.32%
annual increase in cost of living	2.03%
- Demographic assumptions	
probability of an employee's death	ISTAT2020
probability of an employee's disability	unisex tables identified on the basis of a study conducted by the CNR on behalf of the University of Rome reduced by 60%
Health coverage for employees no longer in service	
- Economic assumptions	
annual discount rate	3.52%
annual increase in cost of living	2.06%
increase in average health reimbursement	3.96%
- Demographic assumptions	
probability of an employee's death	RG 48 tables published by the State General Accounting Office increased by 20%
probability of an employee's disability	unisex tables identified on the basis of a study conducted by the CNR on behalf of the University of Rome reduced by 60%

- Other provisions: they include accruals for probable future charges.

Other assets include expected insurance compensation of €1,994 thousand for disputes that the defendant expects to lose.

Contingent liabilities
Contingent liabilities arise from current obligations and possible obligations arising from past events.

Group companies recognise a provision for potential losses only when there is a current obligation deriving from a past event which could involve a probable economic outlay and which can be reliably estimated.

For significant contingent liabilities for which the possibility of a future loss is more than remote, but less than probable, the companies of the Group estimate the possible loss when they believe that an estimate can be made.

In determining which claims have a more than remote probability and therefore estimating their possible loss, the companies of the Group take into account numerous factors including, by way of example, the nature of the claim and the underlying facts, the procedural position and the legal background of each case, decisions of courts or tribunals, experience gained in similar cases, previous settlement negotiations, settlements among others in similar cases (to the extent known to Group companies), available compensation and opinions and advice of lawyers and other experts.

With reference to the proceedings pending at 31 December 2024, the estimate of the maximum total future loss with a more than remote, but less than likely, probability is approximately €5.4 million.

This estimated possible loss is based on currently available information and is subject to significant judgement and a number of known and unknown assumptions, variables and uncertainties. Such uncertainties may include inaccuracy or incompleteness of information available to Group companies, particularly in the early stages of the case, and the possibility that assumptions made regarding future decisions by courts or other tribunals or possible actions or positions taken by supervisory authorities or opponents, prove to be incorrect. In addition, estimates of possible loss for these matters often cannot be derived from the use of statistical or other quantitative analysis tools frequently used to make judgements and estimates, and are exposed to even greater uncertainty than in many other areas in which Group companies are required to exercise judgement and make estimates.

Section 11 - Technical reserves - Item 110

None at the reporting date.

Section 12 - Redeemable shares - Item 130

12.1 Redeemable shares: breakdown

None.

Section 13 - Group equity - Items 120, 130, 140, 150, 160, 170 and 180

13.1 "Share capital" and "Treasury shares": breakdown

The parent company's share capital of €412,154 thousand consists of 159,749,610 ordinary shares with a nominal amount of €2.58 each, including 6,765,307 held by the parent (4.23%), 63,710 by shareholders that have not yet collected their shares resulting from the free capital increases and 27 shares to be assigned to the former shareholders of Deutsche Asset Management Italy S.p.A..

The 6,765,307 treasury shares held by the parent company have a carrying amount of €3,516 thousand, equal to an average unit carrying amount of €0.52.
The parent company's percentage of 4.23% is within the threshold set by the last paragraph of Article 2357 of the Italian Civil Code. The total nominal amount is €17,454 thousand.
The amount deducted from item 180 of the Statement of financial position liabilities corresponds, in accordance with Article 2357 ter of the Italian Civil Code, to the resulting reserve included in item 150 of the liabilities "Reserves".

13.2 Share capital - Number of shares of the parent company: annual changes

Items/Types	Ordinary	Other
A. Shares at the beginning of the year	159,749,610	-
- fully paid-in	159,749,610	-
- not fully paid-in	-	-
A.1 Treasury shares (-)	(6,765,307)	-
A.2 Outstanding shares: opening balance	**152,984,303**	**-**
B. Increases		
B.1 New issues		
- against consideration:	-	-
- business combinations	-	-
- bond conversions	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- to employees	-	-
- to directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases		
C.1 Cancellation	-	-
C.2 Purchases of treasury shares	-	-
C.3 Disposals of entities	-	-
C.4 Other changes	-	-
D. Outstanding shares: closing balance	**152,984,303**	**-**
D.1 Treasury shares (+)	6,765,307	-
D.2 Existing shares at the end of the year	159,749,610	-
- fully paid-in	159,749,610	-
- not fully paid-in	-	-

13.3 Share capital: other information

In the 2019 financial year, the holding company Deutsche Bank AG had carried out a capital payment transaction, as described in more detail in the comment on item 150 "other reserves" for €250 million.
Also in 2020, the holding company carried out a further capital strengthening operation for €150 million.

In the 2021 financial year, the holding company made another capital contribution for €200 million.

13.4 Retained earnings: other information

Item 150 can be broken down as follows:

- legal reserve	89,090
- reserve for treasury shares or own quotas	3,516
- statutory reserves	64,545
- other profit reserves	762,677
- capital contributions	971,673
- negative reserve for coupons paid AT1	(67,627)
- IAS/IFRS FTA reserve	57,527
- overall effect of IFRS 9 FTA	(169,025)
Total item 150 "Reserves"	**1,712,376**

The overall effect of first-time application (FTA) of IFRS 9 had resulted in a net decrease in profit reserves of €169 million as well as a decrease in valuation reserves of €27.6 million. Please refer to the management report of the 2018 Financial Statements for a detailed comment on the effects of the introduction of IFRS 9.

In 2018, the holding company Deutsche Bank AG of Frankfurt carried out two capital strengthening operations of Deutsche Bank S.p.A.:

a first capital payment of €210 million on 27 March 2018 in order to offset the overall impact of the FTA of IFRS 9 of €196.7 million and consequently allow the Bank to be able to maintain its capitalisation levels with respect to the regulatory obligations and objectives set within the SREP;

a second capital payment of €190 million on 13 November 2018 with the aim of protecting the equity from the impact of the loss of €168.2 million recognised in the income statement as a result of the early termination of a series of deposit transactions with a banking counterparty of the Deutsche Bank Group.

On 4 April 2019, the German holding company had further strengthened the equity with a capital payment of €250 million; the new contribution is linked to the growth in loans to customers and therefore of the RWAs relevant to the calculation of regulatory capital for regulatory purposes.

During 2020, an additional payment of €150 million was made, and during 2021, a further payment of €200 million was made.

During 2024, an additional payment of €290 million was made, bringing the total contribution to the Italian parent company to €1,290 million.

The negative reserve of €67,627 thousand charged to retained earnings refers to the coupon amounts paid in the period 2016-2024 on the AT1 capitalisation instrument, net of the related tax effect; more in detail, the changes that took place are shown in the following table.

Reason	Amounts
AT1 gross coupon paid in 2016	(5,567)
2016 coupon tax effect	1,470
AT1 gross coupon paid in 2017	(9,179)
2017 coupon tax effect	2,524
AT1 gross coupon paid in 2018	(9,179)
2018 coupon tax effect	-
AT1 gross coupon paid in 2019	(9,179)
2019 coupon tax effect	-
AT1 gross coupon paid in 2020	(9,179)
2020 coupon tax effect	-
AT1 gross coupon paid in 2021	(9,179)
2021 coupon tax effect	-
AT1 gross coupon paid in 2022	(8,229)
2022 coupon tax effect	-
AT1 gross coupon paid in 2023	(8,228)
2023 coupon tax effect	2,263
AT1 gross coupon paid in 2024	(8,228)
2024 coupon tax effect	2,263
Total at 31 December 2024	**(67,627)**

13.5 Equity instruments: breakdown and annual changes

The item in question amounts to €425 million, the balance has increased from the end of the previous year by €280 million.

On 21 September 2015, Deutsche Bank S.p.A. had issued an Additional Tier 1 instrument, denominated in euro, for €145 million, whose terms were in accordance with the CRD IV regulation, in effect from 1 January 2014: the notes issued are of the Undated Non-Cumulative Fixed to Reset Rate Additional Tier 1 type.
The entire amount of the loan was subscribed by the holding company Deutsche Bank AG - Frankfurt.

The securities are perpetual (with maturity linked to the statutory duration of Deutsche Bank S.p.A.) and can be called by the issuer for the first time on 30 April 2021 ("first call date") and subsequently on each coupon payment date.
An annual fixed-rate coupon of 6.33% was payable until 30 April 2021; since the early repayment option was not exercised, it was redefined on the basis of the five-year swap rate, in force at the time of periodic recognition: the new annual coupon is 5.675%.

On 5 December 2024, Deutsche Bank S.p.A. had issued a new Additional Tier 1 instrument, denominated in euro, for €280 million, whose terms were in accordance with the CRD IV regulation, in effect from 1 January 2014: the notes issued are of the Undated Non-Cumulative Fixed to Reset Rate Additional Tier 1 type.
The entire amount of the loan was subscribed by the holding company Deutsche Bank AG - Frankfurt.

The securities are perpetual (with maturity linked to the bank's statutory duration) and may be called by the issuer for the first time on 30 April 2030 ("first call date") and subsequently on each coupon payment date.
An annual fixed-rate coupon of 7.375% is payable; subsequently, if the early repayment option is not exercised, the coupon will be redefined based on the five-year swap rate, in effect at the periodic reporting, plus 533.4 b.p.

Additional Tier 1 instruments contribute to strengthen the Deutsche Bank S.p.A. Tier 1 ratio.
As envisaged in regulatory requirements, the coupon payment of the equity instrument is discretionary. The settlement of the issued notes provides for a trigger of 5.125% on the Common Equity Tier 1 (CET1) by which, if the CET1 ratio of the Group or Deutsche Bank S.p.A. should fall below this threshold, the nominal value of the notes will be temporarily reduced by the amount necessary to restore the level, taking into consideration other instruments with similar characteristics. This write-down mechanism is regulated by Article 92 (1) (a) of the CRR.

13.6 Other information

No further significant information to be disclosed.

Section 14 - Equity attributable to non-controlling interests - Item 190

14.1 Breakdown of item 190 "Equity attributable to non-controlling interests"

The equity attributable to non-controlling interests amounted to approximately €11 thousand and represented the assets attributable to the minority shareholder of the company DB Covered Bond S.r.l. for €1,000 and for €10,000 to the vehicle ROCKY 2021-1 SPV S.r.l.

Reference should be made to the table showing changes in consolidated equity for information on equity attributable to non-controlling interests.

14.2 Equity instruments: breakdown and annual changes

None.

OTHER INFORMATION

1. Commitments and financial guarantees issued (other than those designated at fair value)

	Nominal value on commitments and financial guarantees issued				Total 31 12 2024	Total 31 12 2023
	First stage	Second stage	Third stage	Purchased or originated credit impaired		
1. Commitments to disburse funds	**7,771,497**	**1,003,298**	**24,356**	**-**	**8,799,151**	**8,921,707**
a) Central banks	-	-	-	-	-	-
b) Public authorities	51	6	-	-	57	33,478
c) Banks	96,884	255,473	-	-	352,357	443,259
d) Other financial companies	642,676	19,587	-	-	662,263	589,712
e) Non-financial companies	6,391,578	705,798	19,912	-	7,117,288	6,735,405
f) Households	640,308	22,434	4,444	-	667,186	1,119,853
2. Financial guarantees issued	**1,373,753**	**353,321**	**1,516**	**-**	**1,728,590**	**1,556,613**
a) Central banks	-	-	-	-	-	-
b) Public authorities	-	-	-	-	-	16
c) Banks	1,194,615	335,787	-	-	1,530,402	1,369,925
d) Other financial companies	4,341	-	-	-	4,341	3,987
e) Non-financial companies	168,047	17,534	1,492	-	187,073	177,992
f) Households	6,750	-	24	-	6,774	4,693

2. Other commitments and other guarantees issued

	Nominal amount	Nominal amount
	Total 31 12 2024	Total 31 12 2023
1. Other guarantees issued	**5,325,199**	**5,023,038**
of which: impaired	21,278	28,508
a) Central banks	-	-
b) Public authorities	200	200
c) Banks	62,041	55,906
d) Other financial companies	156,409	102,995
e) Non-financial companies	5,093,120	4,842,775
f) Households	13,429	21,162
2. Other commitments	**-**	**-**
of which: impaired	-	-
a) Central banks	-	-
b) Public authorities	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) Non-financial companies	-	-
f) Households	-	-

3. Assets pledged as guarantee for own liabilities and commitments

Portfolios	Amount 31 12 2024	Amount 31 12 2023
1 - Financial assets measured at fair value through profit or loss	-	-
2 - Financial assets measured at fair value through other comprehensive income	-	-
3 - Financial assets measured at amortised cost	10,651,734	7,195,871
4 - Property, equipment and investment property	-	-
of which: property, equipment and investment property that represent inventories	-	-

Regarding the issue of covered bonds to be used as a guarantee instrument in secured financing transactions, which was launched by the parent company during the 2012 financial year, as at the reporting date €2,842 million of performing mortgage loans issued to customers had been transferred to the specifically established special purpose vehicle company. It should be noted that the parent company is the originator bank, the financing bank and the issuer, and that the covered bond issue was fully subscribed by the parent company.

As part of the self-securitisation of its consumer finance portfolio, activated by the parent company during the 2021 financial year, and the subscription of bonds with appropriate guarantees for collaterised financing transactions with the Bank of Italy and the European Central Bank, at the date of these financial statements, €4,131 million of performing consumer loans issued to customers had been transferred to the specifically established special purpose vehicle company ROCKY 2021-1 SPV S.r.l. It should be noted that the parent company is the originator bank and also the financing bank, and that the covered bonds issued by the vehicle were fully subscribed by the parent company.

The parent company started to use the collateralised banking asset management system known as ABACO in June 2024. At the date of these financial statements, the parent company had pledged business and commercial customer loans worth €3,679 million as contingent collateral with the Eurosystem, to be used for any requests for borrowing, corresponding to a collateral value of €2,686 million.

4. Investments for unit-linked and index-linked policies

None.

5. Management and trading on behalf of third parties

Type of service	Amount
1. Fulfilment of orders on behalf of customers	
a) Purchases	-
1. settled	-
2. unsettled	-
b) Sales	-
1. settled	-
2. unsettled	-
2. Individual portfolio management	4,688,068
a) individual	4,688,068
b) collective	-
3. Securities custody and administration	
a) third party securities on deposit held as part of depository bank services (excluding portfolio management)	-
1. securities issued by the company preparing the financial statements	-
2. other securities	
b) other third party securities on deposit (excluding portfolio management)	12,262,113
1. securities issued by the company preparing the financial statements	122,216
2. other securities	12,139,897
c) third party securities deposited with others	10,449,872
d) securities owned by the bank deposited with others	18,686
4. Other transactions	
4.1 Receipt and transmission of orders and brokerage	
a) Purchases	5,343,972
1. settled	5,340,194
2. unsettled	3,778
b) Sales	4,455,733
1. settled	4,452,739
2. unsettled	2,994

6. Financial assets offset or subject to master offsetting or similar agreements

None.

7. Financial liabilities offset or subject to master offsetting or similar agreements

None.

8. Securities lending transactions

At 31 December 2024, the parent company had a securities lending agreement with the ultimate parent company (Deutsche Bank AG) concerning debt securities issued by top-rated primary foreign issuers, for a total nominal value of €765.5 million.
These securities are deposited in the amount of €688.5 million with the Bank of Italy as collateral for intraday advances, €50 million are deposited with the Bank of Italy as collateral for outstanding bank drafts, and €26 million are deposited with Euroclear as collateral for securities settlement transactions. The residual securities for €1 million received on loan were lent to Deutsche Bank Mutui S.p.A., a company of the DB AG Group.

In addition, in 2024, note the securities lending service offered by the parent company to the ultimate parent company (Deutsche Bank AG). The contract provided for the transfer of ownership of covered bonds issued by the bank in the amount of €2.0 billion against a consideration as remuneration for their availability. The purpose of the transaction is to support the liquidity metrics of the DB AG Group by providing useful collateral for repo transactions in the market.

9. Notes on jointly controlled assets

None.

Part C - NOTES TO THE CONSOLIDATED INCOME STATEMENT

Section 1 - Interest - Items 10 and 20

1.1 Interest and similar income: breakdown

Items/Products	Debt instruments	Financing	Other transactions	Total 2024	Total 2023
1. Financial assets measured at fair value through profit or loss	-	-	-	-	-
1.1. Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3. Other financial assets mandatorily measured at fair value	-	-	-	-	-
3. Financial assets measured at amortised cost:	-	**1,253,447**	-	**1,253,447**	1,140,193
3.1 Loans and receivables with banks	-	267,897	**X**	**267,897**	241,964
3.2 Loans and receivables with customers	-	985,550	**X**	**985,550**	898,229
4. Hedging derivatives	**X**	**X**	364	**364**	656
5. Other assets	**X**	**X**	12,743	**12,743**	15,661
6. Financial liabilities	**X**	**X**	**X**	**6**	18
Total	**-**	**1,253,447**	**13,107**	**1,266,560**	**1,156,528**
of which: interest income on impaired financial assets	-	**11,083**	-	**11,083**	**9,487**
of which: interest income on finance leases	-	-	-	-	-

1.2 Interest and similar income: other information

1.2.1 Interest income on foreign currency financial assets 7,986

1.2.2 Interest income on finance leases

None.

1.3 Interest and similar expense: breakdown

Items/Products	Liabilities	Securities	Other transactions	Total 2024	Total 2023
1. Financial liabilities measured at amortised cost					
1.1 Due to central banks	(33,798)	**X**	**X**	(33,798)	(147,001)
1.2 Due to banks	(432,312)	X	X	(432,312)	(234,794)
1.3 Due to customers	(100,411)	X	X	(100,411)	(62,485)
1.4 Securities issued	X	(7,396)	X	(7,396)	(5,646)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	**X**	**X**	(2,013)	(2,013)	(215)
5. Hedging derivatives	**X**	**X**	-	-	-
6. Financial assets	**X**	**X**	**X**	-	-
Total	**(566,521)**	**(7,396)**	**(2,013)**	**(575,930)**	**(450,141)**
of which: interest expense relating to lease payables	3,358	-	-	**3,358**	**2,332**

In 2024, the amount of €33.8 million (last year it was €147 million) of interest expense on payables to central banks refers to the loan transactions received from the Bank of Italy for TLTRO III. The transaction was completed in March 2024.

1.4 Interest and similar expense: other information

1.4.1 Interest expense on foreign currency liabilities 1,917

1.5 Differences on hedging transactions		
Items	**Total 2024**	**Total 2023**
A. Gains on hedging transactions	364	656
B. Losses on hedging transactions	-	-
C. Balance (A-B)	**364**	**656**

Section 2 - Fees and commissions - Items 40 and 50

2.1 Fee and commission income: breakdown

Type of service/Values	Total 2024	Total 2023
a) Financial instruments	**148,967**	**138,270**
1. Securities placement	**117,448**	108,123
1.1 With underwriting commitment and/or on the basis of an irrevocable commitment	-	-
1.2 Without irrevocable commitment	117,448	108,123
2. Receiving and transmitting orders and fulfilling orders on behalf of customers	6,339	5,573
2.1 Receiving and transmitting orders for one or more financial instruments	6,339	5,573
2.2 Fulfilment of orders on behalf of customers	-	-
3. Other fees and commissions related to financial instruments activities	25,180	24,574
of which: trading on own account	-	-
of which: individual portfolio management	25,180	24,574
b) Corporate Finance	-	-
1. Merger and acquisition consultancy	-	-
2. Treasury services	-	-
3. Other fees and commissions associated with corporate finance services	-	-
c) Investment advisory activities	**5,711**	**5,847**
d) Clearing and settlement	-	-
e) Collective portfolio management	-	-
f) Custody and administration	**564**	**601**
1. Depository bank	-	-
2. Other fees and commissions related to custody and administration activities	564	601
g) Central administrative services for collective portfolio management	-	-
h) Fiduciary activity	**785**	**700**
i) Payment services	**92,602**	**89,267**
1. Current accounts	426	488
2. Credit cards	47,357	46,207
3. Debit and other payment cards	4,108	4,635
4. Wire transfers and other payment orders	6,415	6,905
5. Other fees related to payment services	34,296	31,032
j) Distribution of third party services	**24,818**	**25,372**
1. Collective portfolio management	-	-
2. Insurance products	24,255	24,589
3. Other products	563	783
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Servicing activities for securitisation transactions	**2,110**	**2,469**
m) Commitments to disburse funds	-	-
n) Financial guarantees issued	**47,014**	**42,760**
of which: credit derivatives	-	-
o) Financing operations	-	-
of which: for factoring transactions	-	-
p) Foreign currency transactions	**4**	**12**
q) Commodities	-	-
r) Other fee and commission income	**86,157**	**85,242**
of which: for the management of multilateral trading systems	-	-
of which: for the management of organised trading systems	-	-
Total	**408,732**	**390,540**

2.1.2 Commission income: distribution channels of products and services

Channels/Sectors		Totale 2024	Totale 2023
a)	**own branches:**	**165,560**	**153,156**
1.	asset management	25,180	24,574
2.	securities placement	117,448	108,123
3.	third party services and products	22,932	20,459
b)	**off-premises distribution:**	**-**	**-**
1.	asset management	-	-
2.	securities placement	-	-
3.	third party services and products	-	-
c)	**other distribution channels:**	**1,886**	**4,913**
1.	asset management	-	-
2.	securities placement	-	-
3.	third party services and products	1,886	4,913

2.2 Fee and commission expense: breakdown

Services/Values	Totale 2024	Totale 2023
a) Financial instruments	**(2,708)**	**(3,093)**
of which: trading in financial instruments	(1,390)	(1,360)
of which: placement of financial instruments	-	-
of which: individual portfolio management	-	-
- Own	(1,318)	(1,733)
- Delegated to third parties	-	-
b) Clearing and settlement	**-**	**-**
c) Collective portfolio management	**-**	**-**
1. Own	-	-
2. Delegated to third parties	-	-
d) Custody and administration	**(438)**	**(543)**
e) Collection and payment services	**(17,723)**	**(16,636)**
of which: credit cards, debit cards and other payment cards	(14,711)	(13,362)
f) Servicing activities for securitisation transactions	**-**	**-**
g) Commitments to receive funds	**-**	**-**
h) Financial guarantees received	**(12,098)**	**(11,453)**
of which: credit derivatives	-	-
i) Off-premises distribution of financial instruments, products and services	**-**	**(136)**
j) Foreign currency transactions	**-**	**-**
k) Other fee and commission expense	**(23,233)**	**(55,106)**
Total	**(56,200)**	**(86,967)**

Section 3 - Dividends and similar income - Item 70

3.1 Dividends and similar income: breakdown

Items/Income	Total 2024		Total 2023	
	Dividends	Income from OEIC units	Dividends	Income from OEIC units
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	1,730	-	903	-
C. Financial assets measured at fair value	-	-	-	-
D. Equity investments	-	X	-	X
Total	**1,730**	**-**	**903**	**-**

Section 4 - Net trading income (expense) - Item 80

4.1 Net trading income (expense): breakdown

Transactions/Income components	Gains (A)	Trading income (B)	Losses (C)	Trading losses (D)	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	**-**	**-**	**-**	**-**	**-**
1.1 Debt instruments	-	-	-	-	-
1.2 Equity securities	-	-	-	-	-
1.3 OEIC units	-	-	-	-	-
1.4 Financing	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt instruments	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
Other financial assets and liabilities: foreign exchange differences	**X**	**X**	**X**	**X**	**1,779**
3. Derivatives	**36,841**	**47,299**	**(38,737)**	**(45,180)**	**203**
3.1 Financial derivatives	**36,841**	**47,299**	**(38,737)**	**(45,180)**	**203**
- On debt instruments and interest rates	36,841	47,299	(38,737)	(45,180)	**223**
- On equity securities and share indexes	-	-	-	-	-
- On currencies and gold	**X**	**X**	**X**	**X**	**(20)**
- Other	-	-	-	-	-
3.2 Credit derivatives	-	-	-	-	-
of which: natural hedges associated with the fair value option	**X**	**X**	**X**	**X**	-
Total	**36,841**	**47,299**	**(38,737)**	**(45,180)**	**1,982**

The assessment of credit risk inherent in the fair value of derivative contracts with customer counterparties showed costs of €696 thousand during the year, recognised in the income statement. The exact figure at 31 December 2024, which derives from applying the measurement model of CVA and DVA adjustments, was €806 thousand as negative value adjustments, compared to the previous year's value of €110 thousand in negative value adjustments.

At 31 December 2024, the cumulative fair value adjustment component relating to FundVA reflected in the income statement amounted to €448 thousand in costs. The previous year it was €391 thousand in revenues.

Section 5 - Net hedging income (expense) - Item 90

5.1 Net hedging income (expense): breakdown

Income components/Amounts	Total 2024	Total 2023
A. Gains on:		
A.1 Fair value hedging derivatives	-	1,250
A.2 Hedged financial assets (fair value)	-	-
A.3 Hedged financial liabilities (fair value)	584	-
A.4 Cash flow hedging derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total hedging income (A)	**584**	**1,250**
B. Losses on:		
B.1 Fair value hedging derivatives	(572)	-
B.2 Hedged financial assets (fair value)	-	-
B.3 Hedged financial liabilities (fair value)	-	(1,184)
B.4 Cash flow hedging derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total hedging expense (B)	**(572)**	**(1,184)**
C. Net hedging income (expense) (A – B)	**12**	**66**
of which: result of hedging on net positions	-	-

Hedging relationships were within the quantitative thresholds set by IAS 39 for both 2024 and 2023.

Section 6 - Profit (loss) on sale or repurchase - Item 100

6.1 Profit (loss) on sale or repurchase: breakdown

Items/Income components	Total 2024			Total 2023		
	Profit	Loss	Net result	Profit	Loss	Net result
Financial assets						
1. Financial assets measured at amortised cost	**7,121**	**(6,064)**	**1,057**	**7,702**	**- 7,848**	**(146)**
1. 1 Loans and receivables with banks	1,726	(5,475)	**(3,749)**	7,702	-	**7,702**
1.2 Loans and receivables with customers	5,395	(589)	**4,806**	-	(7,848)	**(7,848)**
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt instruments	-	-	-	-	-	-
2.2 Financing	-	-	-	-	-	-
Total assets (A)	**7,121**	**(6,064)**	**1,057**	**7,702**	**(7,848)**	**(146)**
Financial liabilities						
1. Due to banks	6,360	(2,341)	**4,019**	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	-	-	-
Total liabilities (B)	**6,360**	**(2,341)**	**4,019**	**-**	**-**	**-**

In 2024, net profit was reported from the transfer of loans and receivables with customers in the amount of €4.8 million (in 2023, losses for €7.8 million were recognised), which relate exclusively to sales of non-performing loans ("bad loans") made by the Bank during 2024 (and 2023).

Net losses of €3.7 million in 2024 are due to the early repayment at market conditions of some time deposits granted to the holding company DB AG Frankfurt In 2023, profits of the same nature amounting to €7.7 million were recorded.

The net profit from financial liabilities of €4.0 million is due to the early repayment at market conditions of some deposits received by the holding company DB AG Frankfurt.

Section 7 - Net gains (losses) on financial assets and liabilities measured at *fair value* *through profit or loss* - Item 110

7.1 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities designated at fair value

None.

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

Transactions/Income components	Gains (A)	Realised gains (B)	Losses (C)	Realised losses (D)	Net result [(A+B) - (C+D)]
1. Financial assets					
1.1 Debt instruments	-	-	-	-	-
1.2 Equity securities	2,678	6,902	(3,696)	-	5,884
1.3 OEIC units	-	-	-	-	-
1.4 Financing	-	-	-	-	-
2. Foreign currency financial assets: exchange rate differences	X	X	X	X	595
Total	**2,678**	**6,902**	**(3,696)**	**-**	**6,479**

The net result of other financial assets and liabilities measured at fair value through profit or loss reports revenues of €6.5 million in 2024, while in the previous financial year the Group recognised revenues of €5.9 million
Revaluations by updating the fair values of investee companies as determined in 2024 refer to MTS S.p.A., CRIF S.p.A. and Bancomat S.p.A. The write-down of €3.7 million relates to VISA Inc. (a share denominated in US dollars, which recorded a foreign exchange gain of €0.6 million during the year).

Realised gains of €6.9 million in 2024 relate to the sale of Visa Class A shares.

Section 8 - Net value adjustments/write-backs for credit risk - Item 130

8.1 Net value adjustments for credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income components	Value adjustments (1)						Write-backs (2)				Total 2024	Total 2023
	First stage	Second stage	Third stage		Purchased or originated credit impaired		First stage	Second stage	Third stage	Purchased or originated credit impaired	(1) – (2)	
			write-offs	other	write-offs	other						
A. Loans and receivables with banks	**(431)**	**(272)**	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**-**	**(701)**	**926**
- Financing	(431)	(272)	-		-	-	-	-	2	-	(701)	(1,775)
- Debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
B. Loans and receivables with customers	**(34,557)**	**(70,394)**	**(6,355)**	**(314,371)**	**-**	**(2,623)**	**39,186**	**44,381**	**166,264**	**962**	**(177,507)**	**(121,475)**
- Financing	(34,557)	(70,394)	(6,355)	(314,371)	-	(2,623)	39,186	44,381	166,264	962	(177,507)	(124,337)
- Debt instruments			-	-	-	-	-	-	-	-	-	-
C. Total	**(34,988)**	**(70,666)**	**(6,355)**	**(314,371)**	**-**	**(2,623)**	**39,186**	**44,381**	**166,266**	**962**	**(178,208)**	**(126,112)**

8.2 Net value adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

None.

Section 9

Gains (losses) from contractual changes without derecognitions - Item 140

9.1 Gains (losses) from contractual changes: breakdown

9.1 Gains (losses) from contractual changes: breakdown		
Transactions/Values	**Total 2024**	**Total 2023**
Losses from mortgage renegotiations	(301)	(345)
Losses from renegotiation of personal loans	(6)	(55)
Total	**(307)**	**(400)**

Section 10 - Net premiums - Item 160

None.

Section 11 - Other operating income (expense) of the insurance business - Item 170

None.

Section 12 - Administrative expenses - Item 190

12.1 Personnel expenses: breakdown

Type of expense/Sectors	Total 2024	Total 2023
1) Employees	**(325,862)**	**(310,474)**
a) wages and salaries	(217,107)	(212,556)
b) social security charges	(55,671)	(53,345)
c) post-employment benefits	(13,981)	(12,958)
d) pension costs	(9)	(8)
e) accrual for post-employment benefits	(463)	(323)
f) accrual for pension and similar provisions:	-	-
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:	(13,283)	(14,179)
- defined contribution plans	(13,283)	(14,179)
- defined benefit plans	-	-
h) costs of share-based payment plans	-	-
i) other employee benefits	(25,348)	(17,105)
2) Other personnel	(3,850)	(6,226)
- atypical employment contracts	(3,565)	(5,941)
- group personnel on secondment at the bank	(660)	(965)
- cost recoveries for personnel seconded to other group companies	375	680
3) Directors and statutory auditors	(149)	(104)
4) Retired personnel	-	-
Total	**(329,861)**	**(316,804)**

12.2 Average number of employees per category

Employees	2024	2023
a) managers	179	176
b) total middle managers	1,681	1,725
c) other employees	988	1,042
total	**2,848**	**2,943**
Other personnel	49	91
Total	**2,897**	**3,034**

Post-employment benefits - total costs		
a) current service cost	-	-
b) interest expense	463	323
c) expected return rate on plan assets	-	-
d) recognised actuarial gains (losses)	-	-
e) past service cost	-	-
f) loss (gain) on curtailments or reductions	-	-
total	**463**	**323**

12.3 Defined benefit company pension funds: total costs

None.

12.4 Other employee benefits	2024	2023
- *lunch vouchers*	(3,298)	(3,359)
- *insurance*	(6,404)	(5,540)
- *leaving incentives (VEP)*	(9,980)	-
- *actuarial valuations of leaving incentives*	(1,947)	(2,097)
- *other benefits*	(3,719)	(6,109)
Total	**(25,348)**	**(17,105)**

12.5 Other administrative expenses: breakdown

Items/Components	2024	2023
- legal and notary fees	(3,233)	(4,942)
- sundry consultancy	(18,442)	(36,110)
- printed materials and stationery	(2,596)	(2,056)
- IT expenses: hardware and software	(108,168)	(104,666)
- third party services	(81,322)	(97,004)
- postage, telegraph, telephone and telex	(17,839)	(14,065)
- cleaning	(3,039)	(3,160)
- security	(2,176)	(2,062)
- lighting and heating	(4,042)	(3,963)
- maintenance, repair and transformation costs	(17,707)	(18,716)
- premises lease	(3,071)	(2,712)
- sundry insurance policies	(2,966)	(2,808)
- advertising and publicity	(4,252)	(5,881)
- information and examinations	(2,431)	(1,798)
- travel costs	(1,518)	(1,619)
- contribution to the Resolution Fund - ordinary	-	(14,627)
- contribution to the Interbank Deposit Protection Fund - ordinary	(8,475)	(9,046)
- contribution to the Interbank Deposit Protection Fund - additional	(5,485)	(5,857)
- other	(27,683)	(26,612)
SUBTOTAL (A)	**(314,445)**	**(357,704)**
Income taxes and duties		
- stamp duty paid to tax authorities	(1,761)	(2,562)
- local property tax	(948)	(966)
- other taxes and duties	(23)	(1,782)
SUBTOTAL (B)	**(2,732)**	**(5,310)**
TOTAL (A) + (B)	**(317,177)**	**(363,014)**

Third party services mainly consist of services provided by other Deutsche Bank Group companies to the parent company.

Most of these services relate to IT activities.

The following events occurred in the years 2024 and 2023.

- Interbank Deposit Protection Fund - ordinary contribution

Legislative Decree no. 30/2016, transposing Directive 2014/49/EU, sets at 0.8% of protected deposits the target level that the financial endowment of deposit guarantee schemes had to reach, by 3 July 2024, with the contributions paid by banks (Art. 96.1, paragraphs 1 and 2 of the T.U.B.).

The financing mechanism defined by European legislation has already been regulated in the FITD Articles of Association with the reform approved by the Extraordinary Shareholders' Meeting of 26 November 2015 and, subsequently, aligned with the regulatory framework introduced by Legislative Decree no. 30/2016.

The Board of the Fund set the total contribution of the members for 2024 at €1,283.1 million. The share payable by the parent company amounted to €13,908 thousand (€14,849 thousand in 2023). Operating grants for the year 2024 amount to €53,000 (€54,000 in 2023).

- Single Resolution Fund (SRF)

Legislative Decrees no. 180 and 181 of 16 November 2015 implemented in national law Directive 2014/59/EU (so called Banking Resolution and Recovery Directive - BRRD), which establishes a framework for recovery and resolution of credit institutions and investment companies and envisages the creation of resolution funds.

Subjecting a bank to resolution means initiating a restructuring process managed by independent authorities – the resolution authorities – which, through the use of techniques and powers now offered by the BRRD, aims to avoid disruptions in the provision of essential services offered by the bank (e.g. deposits and payment services), to restore viable economic conditions for the healthy part of the bank and to wind down the remaining parts.

During the initial set-up phase of the Single Resolution Fund (transitional period), "national compartments" are provided for; the Bank of Italy, in its capacity as national resolution authority, has therefore established the National Resolution Fund.

Articles 78 and subsequent of Legislative Decree no. 180/15 envisage that these funds are maintained,

a) ordinary contributions, paid on an annual basis by banks with registered office in Italy and by Italian branches of non-EU banks, with the amount to be determined by the Bank of Italy consistent with the amount established by the European Commission. These contributions are paid until the target level for the fund, specified in Art. 81 of the decree, has been reached;

b) extraordinary contributions, paid by the same parties as those referred to in point a) above, when the ordinary contributions are insufficient to cover the obligations, losses, costs and other expenses relating to the measures provided for in the Resolution Initiation Measures.

During 2024, the parent company was not required to pay any contribution. In 2023, the parent company was only required to pay the ordinary contribution calculated by the Single Resolution Board in collaboration with the Bank of Italy and due to the Single Resolution Fund, in the amount of €14,627 thousand.

Section 13 - Net accruals to provisions for risks and charges - Item 200

13.1 Net provisions for credit risk related to commitments to disburse funds and financial guarantees issued: breakdown

Items/Components	**Total 2024**	**Total 2023**
Commitments to disburse funds and financial guarantees issued:		
- 1st and 2nd stage	5,497	1,614
- 3rd stage	5,881	(9,653)
- country risk	(75)	70
	11,303	**(7,969)**

13.2 Net allocations relating to other commitments and other guarantees issued: breakdown

None.

13.3 Net allocations to other provisions for risks and charges: breakdown

Items/Components	2024	2023
legal disputes	(5,273)	(14,812)
interest on discounting - time effect	-	-
interest on discounting - interest rate effect	-	-
insurance compensation - adjustment	2,850	1,822
other risks and charges	(599)	(857)
release of excess provisions	3,487	3,439
Total	**465**	**(10,408)**

-

Section 14 - Net value adjustments on property, equipment and investment property - Item 210

14.1 Net value adjustments on property, equipment and investment property: breakdown

Assets/Income components	Depreciation	Impairment losses (b)	Write-backs	**Net result (a + b – c)**
A. Property, equipment and investment property				
1. For functional use				
- Owned	(6,534)	-	-	**(6,534)**
- Rights of use acquired through lease	(28,990)	(1,476)	-	**(30,466)**
2. Held for investment purposes				
- Owned	-	-	-	-
- Rights of use acquired through lease	-	-	-	-
3. Inventories	X	-	-	-
Total	**(35,524)**	**(1,476)**	**-**	**(37,000)**

The depreciation of rights of use, an item in the statement of financial position introduced by IFRS 16 in 2019, refers for €27.5 million to the rental of buildings and for €1.5 million to company cars.

Section 15 - Net value adjustments/write-backs on intangible assets - Item 220

15.1 Net value adjustments on intangible assets: breakdown

Assets/Income components	Amortisation (a)	Impairment losses (b)	Write-backs (c)	**Net result (a + b – c)**
A. Intangible assets				
of which: software	(7,845)	-	-	**(7,845)**
A.1 Owned				
- Internally generated assets	(7,820)	-	-	**(7,820)**
- Other	(25)	-	-	**(25)**
A.2 Rights of use acquired through lease	-	-	-	**-**
Total	**(7,845)**	**-**	**-**	**(7,845)**

Intangible assets consist entirely of software.

Section 16 - Other operating income and expenses - Item 230

16.1 Other operating expenses: breakdown

Items/Components	2024	2023
Tax penalties	-	(6,285)
Losses on credit cards for fraud and irregularities	(707)	(259)
Charges for promoters and consortia associated to the "Finanza & Futuro" network	(164)	(79)
Costs of the covered bond issue	(1,117)	(1,942)
Charges associated with self-securitisation	-	-
Assets not otherwise attributable and other operating expenses	(14,395)	(8,210)
Adjustments for improvements to third parties assets	(3,932)	(6,651)
	(20,315)	**(23,426)**

16.2 Other operating income: breakdown

Items/Components	2024	2023
Intragroup consolidation adjustments	33	32
Lease income	1,682	2,120
Release of provision for tax disputes	-	12,270
Income related to the covered bond issue	-	-
Income associated with self-securitisation	-	-
Income not otherwise attributable and other operating income	6,093	5,316
	7,808	**19,738**

	2024	2023
Net other operating income (expense)	**(12,507)**	**(3,688)**

Section 17 - Gains (losses) from equity investments - Item 250

At 31 December 2023, the amount of €4,851 thousand referred to the profit realised by the parent company on 21 June 2023 following the sale of the equity investment held in Prestipay S.p.A.

Section 18 - Fair value gains (losses) on property, equipment and investment property and intangible assets - Item 260

None.

Section 19 - Impairment losses on goodwill - Item 270

19.1 Impairment losses on goodwill: breakdown

None.

Section 20 - Gains (losses) from sale of investments - Item 280

20.1 Gains (losses) from sale of investments: breakdown

Income components/Sectors	2024	2023
A. Property	-	-
- Gains on sales	-	-
- Losses on sales	-	-
B. Other assets	(6)	(208)
- Gains on sales	-	-
- Losses on sales	(6)	(208)
Gain (loss)	**(6)**	**(208)**

Section 21 - Income taxes for the year from continuing operations - Item 300

21.1 Income taxes for the year from continuing operations: breakdown

Income components/Sectors	2024	2023
1. Current taxes (-)	(7,329)	(1,659)
2. Changes in current taxes from previous years (+/-)	757	(20,128)
3. Decrease in current taxes for the year (+)	-	-
3.bis Decrease in current taxes for the year due to the tax credit as per Law no. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	(59,885)	75,275
5. Change in deferred tax liabilities (+/-)	(460)	658
6. Taxes for the year (-) (-1+/-2+3+/-4+/-5)	**(66,917)**	**54,146**

21.2 Reconciliation between the theoretical and effective tax expense

		Financial Year 2024	*Financial Year 2023*	
Pre-tax profit (loss) from continuing operations		187,298	145,177	
Pre-tax profit from discontinued operations		-	-	
Theoretical taxable profit, as per the financial statements		**187,298**	**145,177**	
	rate 2024	*theoretical tax*	*theoretical tax*	*rate 2023*
theoretical tax expense - IRES	27.50%	(51,507)	(39,924)	27.50%
theoretical tax expense - IRAP	5.57%	(10,432)	(8,086)	5.57%
theoretical tax benefit - IRES	27.50%	-	-	27.50%
Total theoretical tax expense	**33.07%**	**(61,939)**	**(48,010)**	**33.07%**
Effective tax (expense)\benefit		**(66,917)**	**54,146**	
including tax (expense)\benefit from continuing operations		*(66,917)*	*54,146*	
- including tax (expense)\benefit from discontinued operations		-	-	
	effective rate	**35.73%**	**-37.30%**	
(higher) lower taxes set aside, difference between actual and theoretical tax expense		**(4,978)**	**102,156**	
Effects of the most significant changes:				
- non-taxable revenue - permanent differences (IRES)		1,308	7,092	
- non-deductible costs - permanent differences (IRES)		(5,156)	(3,602)	
Changes in the IRAP tax base		(1,127)	1,649	
Adjustments to recognition/valuation of deferred tax assets and liabilities		-	98,576	
- other effects		(3)	(1,559)	
total effects		**(4,978)**	**102,156**	

Section 22 - Post-tax profit (loss) from discontinued operations - Item 320

None.

Section 23 - Profit (loss) for the year attributable to non-controlling interests - Item 340

None.

Section 24 - Other information

Nothing to report.

Section 25 - Earnings (Loss) per share

25.1 Average number of ordinary shares with dilutive effect

25.2 Other information

The disclosure required by IAS 33 Earnings per Share is given below.

	31/12/2024	31/12/2023
Basic EPS (€/000)		
Earnings (Loss) attributable to the Group	120,381	199,323
Diluted EPS (€/000)		
Earnings (Loss) attributable to the Group	120,381	199,323
less profits/losses due to dilutive components (not present)	-	-
Diluted earnings (loss) attributable to the Gro	120,381	199,323
Average outstanding shares (no.)		
average outstanding shares	152,984,303	152,984,303
potential ordinary shares with dilutive effect	-	-
average outstanding shares, including potential shares	152,984,303	152,984,303
Earnings (loss) per share (€)		
basic earnings (loss) per share	0.79	1.30
diluted earnings (loss) per share	0.79	1.30

Part D – COMPREHENSIVE INCOME

The detailed information required by IAS 1 regarding the statement of comprehensive income is provided below.

Breakdown of comprehensive income

	Items	Total 2024	Total 2023
10.	**Profit (Loss) for the year**	**120,381**	**199,323**
	Other comprehensive income not reclassified to income statement		
20.	Equity securities designated at fair value through other comprehensive income:	-	-
	a) fair value changes	-	-
	b) transfers to other components of equity	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness):	-	-
	a) fair value changes	-	-
	b) transfers to other components of equity	-	-
40.	Hedges of equity securities designated at fair value through other comprehensive income:	-	-
	a) changes in fair value (hedged instrument)	-	-
	b) changes in fair value (hedging instrument)	-	-
50.	Property, equipment and investment property	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	450	(73)
80.	Non-current assets and groups of assets held for sale	-	-
90.	Portion of valuation reserves of equity investments valued with the equity method	-	-
100.	Revenues or costs of a financial nature relating to insurance contracts issued	-	-
110.	Income tax relating to other comprehensive income not reclassified to income statement	(653)	548
	Other comprehensive income reclassified to income statement		
120.	Hedges of foreign investments:	-	-
	a) fair value changes	-	-
	b) reclassification to the income statement	-	-
	c) other changes	-	-
130.	Exchange rate gains (losses):	-	-
	a) value changes	-	-
	b) reclassification to the income statement	-	-
	c) other changes	-	-
140.	Cash flow hedges:	-	-
	a) fair value changes	-	-
	b) reclassification to the income statement	-	-
	c) other changes	-	-
	of which: result of net positions	-	-
150.	Hedging instruments (non-designated elements):	-	-
	a) value changes	-	-
	b) reclassification to the income statement	-	-
	c) other changes	-	-
160.	Financial assets (other than equity securities) measured at fair value through other comprehensive income:	-	-
	a) fair value changes	-	-
	b) reclassification to the income statement	-	-
	- adjustments for credit risk	-	-
	- gains/losses on sales	-	-
	c) other changes	-	-
170.	Non-current assets and groups of assets held for sale:	-	-
	a) fair value changes	-	-
	b) reclassification to the income statement	-	-
	c) other changes	-	-
180.	Portion of valuation reserves of equity investments valued with the equity method:	-	-
	a) fair value changes	-	-
	b) reclassification to the income statement	-	-
	- impairment losses	-	-
	- gains/losses on sales	-	-
	c) other changes	-	-
200.	Revenues or costs of a financial nature relating to insurance contracts issued:	-	-
	a) fair value changes	-	-
	b) reclassification to the income statement	-	-
	c) other changes	-	-
190.	Revenues or costs of a financial nature relating to outwards reinsurance:	-	-
	a) fair value changes	-	-
	b) reclassification to the income statement	-	-
	c) other changes	-	-
210.	Income tax relating to other comprehensive income reclassified to income statement	-	-
220.	**Total other comprehensive income**	**(203)**	**475**
230.	**Comprehensive income (items 10 + 220)**	**120,178**	**199,798**
240.	Consolidated comprehensive income attributable to non-controlling interests	-	-
250.	**Consolidated comprehensive income attributable to the parent company**	**120,178**	**199,798**

Part E - RISKS AND RELATED HEDGING POLICIES

In this Part E, the qualitative and quantitative information is presented in the order established by Circular no. 262 of the Bank of Italy.
In accordance with the Basel II guidelines, Bank of Italy has regulated the methods and terms to be complied with by banks when providing the market with information about capital adequacy, exposure to risks and the general characteristics of their systems used to identify, measure and manage risks. These regulations are summarised in the third pillar of Basel II.
This information is published by the Bank on its website in the section dedicated to Financial Statements data:
https://country.db.com/italia/chi-siamo/financial-reports?language_id=3.

The information provided in the following section is based on internal management data and therefore may not coincide with those reported in parts B and C. The tables and information for which the indication of the "carrying amount" is specifically requested are an exception.

INTRODUCTION

Organisation of risk management and internal controls
The Deutsche Bank Group attaches considerable importance to risk management and control, a necessary condition to ensure reliable and sustainable value generation.
Internal controls, as defined by Bank of Italy in its supervisory provisions, consist of a set of rules, functions, structures, human resources, processes and procedures that aim to ensure, in compliance with the principle of sound and prudent management, that the following objectives are achieved:
- verification that the strategies and corporate policies are implemented;
- containment of the risk within the limits indicated in the reference framework for the determination of the Bank's risk propensity (Risk Appetite Framework - "RAF");
- protection of assets and against losses;
- efficient and effective internal processes;
- reliability and safety of corporate information and information procedures;
- prevention of the risk of the Bank becoming involved in illegal activities, even if involuntarily;
- compliance of operations with the law, supervisory regulations and internal policies, regulations and procedures.

The Bank's internal controls, in line with the instructions above, are split into four levels:

- decision-making and strategic supervision, carried out by the corporate bodies, specifically, the Supervisory Board (strategic supervision), the Management Board and the CEO; these bodies define strategies and take resolutions to adapt and improve internal controls and implement such guidelines, by taking the necessary measures and ensuring that they are followed. In carrying out these activities, the Management Board makes use of the contribution of eight bodies (Assets & Liabilities Committee, Credit Committee, Audit Council, Non-Financial Risk Committee, Data Privacy Council, Customer Protection Council, Investment Committee and Regional Data Council);
- internal audit (**third level controls**), designed to identify irregular activities, violations of procedures and regulations as well as to periodically assess the comprehensiveness, adequacy, functionality and reliability of the internal controls and the information system. These activities are performed by the Group Audit Organisational Unit on all the production and management processes of the Bank;

- controls over management of specific risks (**second level controls**) are performed, for all of DB S.p.A. Group and in line with prudential supervisory provisions issued by Bank of Italy, by the risk control function (Macro Area Chief Risk Officer *) and the compliance and anti-money laundering functions (within the AFC&Compliance Management), both established within the parent company, in accordance with the general principle that the primary responsibility for operational risk management should be delegated to the managers of the individual operating units.
The Macro Area Chief Risk Officer and Compliance O.U. are dedicated structures, independent and separate from the business divisions. Monitoring of risk levels, any mitigation actions and related reporting are performed continuously, with the support of automated processes, or, on an exception basis, through sample testing.
The objective of the second level control units is to assist in defining the methodologies for identification, assessment, and measurement of risk, to support in defining the limits assigned to the various operational units, and to supervise compliance (within the defined Risk Appetite Framework), by also verifying the consistency of the operations of the individual areas with the assigned risk - return objectives, as well as adherence to the internal and external reference regulations.
The Macro Area Chief Risk Officer, as part of the Bank's holistic view of risks, coordinates the preparation of ICAAP reporting, that is, coordinates the periodic recognition and configuration of the first and second pillar risks, ensuring the appropriate reporting is provided to top management and that the risks are consistent with the Risk Appetite Framework. As such, it assists in defining any risk mitigation actions and constantly monitors their status.
The Macro Area Chief Risk Officer participates in the inter-functional committees that oversee the assumption of major risks (Risk Committee, Assets & Liabilities Committee, Credit Committee, Non-Financial Risk Committee, as well as Audit Council and Regional Data Council) and is called upon to assess the Bank's most important transactions, on which he/she expresses a binding opinion;

- line controls (**first level controls**), designed to ensure the Group companies' operations are performed correctly. They are performed by the same units that carry out the transactions or as part of back office procedures, which are often automated through IT procedures. They basically consist of hierarchical controls, applying the "four eyes" principle to transactions, and ensuring separation of duties, reconciliation with external sources and monitoring of access to systems.

The Bank's general system of internal controls also includes specific organisational and control procedures to comply with the regulatory capital requirements as set out and defined within the scope of the Bank's risk management policies and specific documents governing the related operating procedures.

The Macro Area Chief Risk Officer is responsible for risk control activities;

the main risk control activities are as follows:
- is involved in defining the RAF, risk governance policies and the various steps that constitute the risk management process, as well as in setting operational limits to the assumption of the various types of risk;
- continuously verifies the adequacy of the risk management process and operational limits;
- is an integral part of the development, validation and maintenance of risk measurement and control systems;
- in measuring risks, it takes into account the model risk and any uncertainty in the valuation of certain types of financial instruments and informs the management body of these uncertainties;
- defines common operational risk assessment metrics consistent with the RAF, coordinating with the compliance function, with the ICT function and with the business operational continuity;
- ensures the consistency of the risk measurement and control systems with the processes and methodologies for assessing company activities, coordinating with the company structures concerned;
- analyses the risks of new products and services and those deriving from the entry into new operating and market segments, assuming different risk scenarios and assessing the Bank's ability to ensure effective risk management;
- gives prior opinions on the consistency with the RAF of the most significant operations, exercising a power of veto in the event of a negative opinion on operations other than those decided directly by the body with strategic supervision or management functions;
- constantly monitors the actual risk assumed by the Bank and its consistency with the risk appetite objectives, as well as compliance with the operational limits assigned to the operational structures in relation to the assumption of the various types of risk, verifying that the risk-taking decisions made at the various corporate levels are consistent with the advice it provides;

- carries out second-level checks on the proper performance of monitoring the progress of individual credit exposures; verifies the adequacy and effectiveness of measures taken to remedy deficiencies identified in the risk management process.

Risk culture

The Bank ensures circulation of a suitable risk culture based on the relevant principles defined by the ultimate parent company, Deutsche Bank AG:

- the risks must be assumed on the basis of a defined "risk appetite" compatible with the sustainability of the Bank's long-term value proposition;
- each risk shall be carefully assessed and approved as part of the more general risk management framework;
- risks shall be adequately balanced;
- risks shall be continuously monitored and managed.

(*) in order to preserve the independence requirement of the Risk Control Function and in consideration of the presence of credit proxies in the Macro Area Chief Risk Officer, the Credit Risk Control/Asset Quality Review Function was also established, reporting directly to the Management Board and with responsibilities for second-level controls on Credit Risk.

The Bank promotes a strong risk culture, which is an integral part of its organisational processes and structures, through a holistic approach. All employees are responsible for risk management and are required to adopt a conduct that reinforces the Group's risk culture, aspects that are included in the assessment processes, as part of the broader overall performance evaluation for compensation purposes.

Specifically, employees are required to be fully responsible for any risks they take, to adopt strict risk assessment procedures and adequately consider the Bank's position and reputation. The Bank's Supervisory Board ensures, inter alia, that the incentive and remuneration systems properly consider risk containment policies and that they are consistent with the Bank's long-term objectives, culture, corporate governance structure and internal controls. Also during 2024, the Bank confirmed the implementation of the iCMF ("Individual consequence management framework") adopted within the DB AG Group and aimed at ensuring an adequate degree of awareness and accountability in the assumption and management of corporate risks.

In order to strengthen these behaviours and facilitate the development and promotion of an integrated risk culture at all levels, the Group has a number of internal projects which include the circulation of its specific reference values and in-depth training, supported by the contribution of the CRO macro-function.
Such training activities include mandatory courses on various types of risk and applicable regulations to assist the growth of an internal risk culture based on honesty, correctness and compliance with the spirit and nature of regulations. In addition, the internal communications system ensures circulation of these messages at all levels.
In this context, the Group Audit O.U. also plays a role in assuring the organisation's risk and control culture, monitoring adherence to risk appetite and tolerance limits and aligning its risk assessment and rating of its findings to the Bank's risk thresholds.

In 2024, the reorganisation of the Macro Area CRO was completed, aimed at transferring responsibility for credit decisions, the classification (forbearance/UTP) of impaired positions and the definition of analytical adjustments on loans to the first line of defence. The functioning of the Credit Committee has also been revised, granting the CRO the right of veto instead of the right to vote. At the same time, certain operational activities previously carried out by the Macro Area CRO were outsourced to the first line, and the "Credit Risk Control/AQR" Organisational Unit was integrated into the Macro Area CRO in order to consolidate second-line credit risk control within a single structure.

ESG (Environmental Social and Governance) risks

Deutsche Bank is committed, as part of the DB AG Group, to managing its business activities and operations in a sustainable manner, including the progressive reduction of portfolios with significant emissions by 2030/2050. Environmental, social and governance (ESG) risks are distinct from most of the risks Deutsche Bank faces in that (i) some risks may only materialise in the long term, (ii) there is limited historical data, particularly in relation to climate transition risk, on which to base forward-looking risk appetite, and (iii) traditional/existing metrics are not usually appropriate/sufficient to manage ESG risks.
ESG risk management is also key to controlling climate/physical and financial operations risks, which represent the primary structure of ESG risks within the DB AG Group, with a direct impact on broader financial and reputational risks that may crystallise as a result of the Bank's activities. To manage ESG risk, a specific set of risk metrics with associated thresholds is established at Group level, calibrated annually and set to ensure that the Bank does not materially deviate from its public commitments. With regard to climate/environmental risk, the ECB has issued guidelines in which, on the one hand, there is an expectation that institutions will explicitly include climate and environmental risks in their risk appetite framework and, on the other hand, support a gradual implementation in a manner proportionate to the nature, scale and complexity of the activities of the institution concerned.

The DB Group is currently working to improve data availability across business lines for ESG-related information, in order to be able to provide specific quantifications in the future, with a focus on the most relevant KPIs (aligned with regulatory expectations on data availability, e.g., the ratio of green assets to other assets). The EC model of the 2nd Pillar and the corresponding adequacy assessment already include a dedicated quantification of the type of cross-risk with different types of risk (credit risk, operational risk, reputational risk and strategic risk).
Furthermore, Deutsche Bank S.p.A. has also communicated the ESG risk appetite approach at divisional level through its Private and Corporate Bank divisions. To mitigate the Bank's exposure to the above risks and to comply with our strategy, the Bank follows a product-based approach, with the aim of promoting products that are considered environmentally sustainable.

Risk appetite focuses mainly on the following pillars:
Governance:
• adoption of the DB Italy ESG Forum to (i) promote interaction among Divisions/Functions, by playing a key role in coordinating local/global initiatives together with a consistent model, (ii) facilitate the adoption of ESG culture, (iii) increase DB S.p.A.'s ESG commitment to stakeholders.
Short-term priorities:
• monitoring the appetite for ESG risk based on the product;
• new optimisation of the reporting process;
• exploiting the current ESG risk drivers included in the credit process and in the rating system to accelerate derisking;
• implementing the physical risk reporting process.
Medium-term priorities:
• sessions on ESG culture (and consequently on ESG risk);
• mapping of local/global initiatives for coordinated project implementation;
• mapping of compliance with ESG regulations;
• adopting ad hoc initiatives for the culture of sustainability;
• ESG communication plan.

SECTION 1 - Risks of the consolidated accounting

QUANTITATIVE DISCLOSURE

A. CREDIT QUALITY

A.1 NON-IMPAIRED AND IMPAIRED CREDIT EXPOSURES: AMOUNTS, VALUE ADJUSTMENTS, DYNAMICS AND ECONOMIC DISTRIBUTION

Starting from the 2015 Financial Statements, credit quality is presented according to the classification introduced with the 7th update of Circular no. 272 of the Bank of Italy of 20 January 2015. This update modified the definitions of impaired financial assets in order to align them with the concept of "Non-Performing Exposures" (NPE) developed in the Implementing Technical Standards (ITS) for consolidated statistical supervisory reporting defined by the European Banking Authority (EBA) and approved by the European Commission on 9 January 2015.

A.1.1 Breakdown of financial assets by portfolio and credit quality (carrying amounts)

Portfolio/quality	Non-performing loans	Unlikely to pay	Impaired past due exposures	Non-impaired past due exposures	Other non-impaired exposures	**Total**
1. Financial assets measured at amortised cost	86,805	321,146	80,904	524,536	23,233,323	**24,246,714**
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	**-**
3. Financial assets designated at fair value	-	-	-	-	-	**-**
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	**-**
5. Financial assets held for sale	-	-	-	-	-	**-**
Total 2024	**86,805**	**321,146**	**80,904**	**524,536**	**23,233,323**	**24,246,714**
Total 2023	**66,383**	**357,590**	**80,360**	**662,136**	**26,021,090**	**27,187,559**

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross amount and carrying amount)

Portfolio/quality	Impaired				Non-impaired			Total (carrying amount)
	Gross amount	Total value adjustments	Carrying amount	Overall partial write-offs (*)	Gross amount	Collective impairment	Carrying amount	
1. Financial assets measured at amortised cost	1,019,215	(530,360)	488,855	32,297	23,898,283	(140,424)	23,757,859	24,246,714
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	-	-
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 2024	**1,019,215**	**(530,360)**	**488,855**	**32,297**	**23,898,283**	**(140,424)**	**23,757,859**	**24,246,714**
Total 2023	**1,052,800**	**(548,467)**	**504,333**	**20,546**	**26,802,224**	**(118,998)**	**26,683,226**	**27,187,559**

(*) Value to be disclosed for information purposes

As regards "Financial assets held for trading" and "Hedging derivatives", the cumulative capital losses and carrying amounts of financial instruments with evident poor credit quality, as well as the carrying amounts of the remaining financial assets, are provided below.

Portfolio/quality	Assets with evident poor credit quality		Other assets	Carrying amount
	Cumulative capital losses	Carrying amount	Carrying amount	
1. Financial assets held for trading	-	175	66,889	67,064
2. Hedging derivatives	-	-	4,483	4,483
Total 2024	**-**	**175**	**71,372**	**71,547**
Total 2023	**-**	**58**	**100,766**	**100,824**

It should be noted that during the year the parent company did not make partial derecognitions of impaired financial assets and it did not make any purchases of these assets.

B. INFORMATION ON STRUCTURED ENTITIES (OTHER THAN FOR SECURITISATION PURPOSES)

None.

SECTION 2 - Risks of the Prudential Consolidation

1.1 - CREDIT RISK

QUALITATIVE DISCLOSURE

1. General aspects

Over the years, credit risk control activities have been characterised by effective management and at the same time by the ability to substantiate and support the strategic planning and business model adopted by the Bank, ultimately aimed at a balanced growth aligned with the risk remuneration objectives of the assets under management.

Also during 2024, the Bank's strategy was focused on confirming the divisional value proposition, substantiated by optimising the composition of the mix of products in the portfolio and the service model by gradually reducing mortgages and increasing exposure on the business lines of Wealth Management and Consumer Finance as part of the Mid-Cap and Entrepreneur & Wealth initiatives.

The year 2024 was also characterised by a close monitoring of credit quality, pursued through the adoption and progressive optimisation of the operating methods in all the management phases of the credit line.

The Bank has always proactively and prudently managed its credit portfolio, pursuing the objective of containing ratios and stocks of impaired loans, both by streamlining the recovery process and through appropriate de-risking strategies capable of maximising asset value.

1.1 Impacts deriving from climate and/or environmental risks in the context of credit risk management

The general objective of Deutsche Bank is to measure, monitor and control climate risks and other environmental risks related to individual transactions and credit portfolios, in line with the public commitments on climate change made by the Group and with the need to protect our balance sheet, our brand and our reputation. Deutsche Bank aims to take a prudent approach to climate and environmental risks, while ensuring that the Bank can generate revenues and support our customers' transition to a low-carbon economy. This approach is also in line with the Bank's climate commitments. At DB Group level, the quantitative risk appetite is currently set for four key sectors with high pollutant emissions. Sector appetite includes an absolute benchmark based on financed emissions (oil and gas) and three metrics based on physical intensity (energy production, automotive and steel) to strengthen decarbonisation and reduce transition risk.

The hedging of climate and energy risks in capital demand models faces several challenges due to its emerging and long-term nature. Furthermore, there is no single risk parameter that directly reflects climate and energy risks. In terms of quantifying credit risk measures, although the components correlated with environmental climate risk drivers are not formally factored in, these elements are indirectly integrated into credit impairment functions (e.g. rating system calculation function, LGD quantification based on expert assessment factors, sector dynamics on forward-looking components).

1.2 Impacts deriving from the macroeconomic situation

With the ongoing conflict between Ukraine and Russia, the conflict in the Middle East between Israel, Palestine and Lebanon, and tensions surrounding the Taiwanese peninsula, 2024 has also proved to be a year of great geopolitical uncertainty, culminating in the American elections. In Europe, starting in June 2024, the ECB launched a plan to cut interest rates, four times during the year: the gradual reduction in inflation allowed the campaign of cuts to begin, making credit conditions more favourable for households and businesses. Demand for loans and financing from households and businesses therefore followed a different trend in 2024: weak in the first half of the year and recovering slightly in the second half, driven in part by greater consumer confidence. In this second phase, the manufacturing and service sectors showed signs of recovery in credit demand.

The rate of credit impairment remained under control, with a slight increase in impaired loans. Banks continued to strengthen risk management practices, in some cases adjusting coverage of impaired loans and adopting proactive strategies for their reduction.

Given the aforementioned context, the Bank has also extended a number of initiatives in the current financial year aimed at mitigating the negative impacts of the crisis, and has also maintained a derisking policy on direct exposures to Russian companies/associations or projects/transactions in the Russian region in order to contain the effects of the increase in geopolitical risk on assets.

2. Credit risk management policies

2.1 Organisational aspects

The qualitative disclosures regarding the management of credit risks in lending activities and derivative transactions are provided below.

As a general rule, it should be noted that the granting of credit to the various counterparties can be only authorised by persons/bodies having the appropriate decision-making powers, the definition and attribution of which is the responsibility of the Management Board. Lending powers, which with respect to the same entity are higher or lower depending on the level of expected risk, are reviewed periodically, taking into account the qualifications and experience of the counterparties responsible for providing the credit.

All Deutsche Bank S.p.A. divisions apply uniform criteria in their credit granting processes, in line with the size and type of customer, using a set of qualitative and quantitative information that enables them to make an accurate estimate of the risk assumed. The granting of the relevant decision-making powers is also conditional on the passing of an aptitude test, the taking of which may be requested at any time, at the initiative of the power grantors.

Furthermore, the processes in place for the collaboration and sharing of knowledge and skills with the ultimate parent company Deutsche Bank AG make it possible to share, among other things, the main analyses on the markets and on the various economic sectors, and therefore to improve the portfolio screening and credit risk assessment. In particular, possible areas of vulnerability of the portfolio assets in unfavourable macroeconomic scenarios are carefully analysed and the assets are continuously monitored on a geo-sectoral basis, in order to identify in advance any necessary risk mitigation actions and safeguard the quality of the assets.

In compliance with regulatory requirements and in line with the Bank's banking book management strategies, in 2024, a targeted focus was maintained on the management procedures for the late-collection operational phase, aimed at optimising non-performing loans and, at the same time, reducing average processing times, using a range of structured and differentiated levers. The year under review saw further refinement of customer segmentation processes in the delinquency management phase aimed at prioritising processing queues and modulating corrective actions according to the characteristics of the case under management. This approach has allowed greater control of asset quality by reducing exposure to counterparties with behavioural profiles compatible with a potential deterioration, and by strengthening the relationship with the most virtuous clients.

It should also be noted that during the year, the reorganisation of the Macro Area CRO was completed, aimed at transferring to the first line of defence the responsibility for decisions on customer credit, the classification (forbearance/UTP) of impaired positions and the definition of credit risk provisions for the "non-homogeneous" portfolio. The functioning of the Credit Committee has also been revised, granting the CRO the right of veto instead of the right to vote. At the same time, the operational activities on credit lines previously carried out by the Macro Area CRO were reorganised in the first line, and the "Credit Risk Control/AQR" Organisational Unit was integrated into the Macro Area CRO in order to consolidate second-line credit risk control into a single structure.

2.2 Management, measuring and control systems

The Bank continued to improve and optimise its main credit risk monitoring tools as part of the procedures and systems adopted

- attribution of the credit risk rating;
- determining the credit facility amount and approval procedure;
- ongoing risk monitoring;
- timely identification of irregular trends and identification of derisking strategies;
- monitoring and restructuring;
- regular review of policies and guidelines for the granting of credit;
- conducting stress testing exercises.

- Attribution of the credit risk rating

A fundamental aspect of the credit approval and ongoing monitoring of asset quality process is the in-depth valuation of the underlying risk. The approach used is based on the creditworthiness of the counterparty, assessed by summarising elements of direct and indirect risk, i.e. linked to the technical form of the credit facility. The result is expressed in terms of risk rating (understood as the "probability of default" (PD) over a period of one year) and, together with the technical characteristics of the credit facility granted, determines the approval level required and the subsequent monitoring actions.

The methodological approach adopted to determine the rating depends primarily on the nature and size of the customers assessed, together with the degree of exposure to the Bank.

Specifically, in the case of larger customers in the non-retail portfolio who, because of their financial requirements, are potential users of the full range of credit products and services offered by the Bank, the rating assignment is a result of a review of the financial, operational and business characteristics of the counterparty and the specific characteristics of the facility in question. Positions that are characterised, on the other hand, by greater granularity typical of the "Retail" portfolio base the assignment of the rating on assessments of financial sustainability and predisposition to risk through socio-demographic profiling, again from a customer-centric perspective.
At the conclusion of this process, the counterparty is assigned a rating encoded within the internal scale of twenty-one distinct ratings that correspond to specific probabilities of default. The credit risk rating is used to determine the possible loss associated with the probability of default, together with other elements such as the expected recovery rate, amount and duration of the credit exposure. The parameters used to determine the expected loss are periodically reviewed and validated by the Bank's designated business units.

All rating models are constantly reviewed to detect sources of instability in the credit risk dynamics and to continuously update the risk quantification component in order to preserve their full predictive capacity with respect to the most recent portfolio dynamics.
It should also be noted that the rating models have been updated in order to ensure the extension of their use in the process of quantifying expected losses and the integration of recent regulatory developments regarding the calibration of risk parameters.

- Determining the credit facility amount and approval procedure

Decisions about whether to grant credit are based on all the credit facilities granted to a counterparty (or a group of counterparties). The periodic renewal of existing credit facilities only takes place after a new decision is taken, which reviews all the risk elements pertinent for the granting of credit and, as such, consists of the relevant procedures and approvals.

For the typical lending activities of the commercial and corporate divisions, the credit report represents the outcome of the preliminary investigation and the main basis of assessment for the approval, renewal and review of the credit granted. These reports are usually updated once a year, in line with the expected frequency of updates on information used for assessing a customer’s creditworthiness. They include sector figures, financial statement figures, a brief description of the reasons for requesting the credit facility and a summary of the counterparty's credit rating. In the case of renewals and revisions, this information is completed by details of the customer's lending history with the Bank or the banking sector.

Financial and qualitative information is used to calculate the forecast risk and to take the final decision about the granting of credit.
The control of credit risk based on the precise assessment of individual positions is integrated with the assessment of the degree of diversification of the portfolio as a whole, in order to mitigate the potential risk of credit concentration. To this end, diversification strategies are employed depending on the major risk drivers and exposure limits are applied per borrower unit, which are subject to monitoring via specific reports.

The assessment procedure for the retail banking, like for consumer credit, mortgage loans and credit cards, is based on the portfolio's structural and homogeneous characteristics: high fragmentation and granularity of credit exposures. Similarly, the approval procedure is primarily based on the extensive use of automated risk quantification methods, with application of a rating. Monitoring and reassessment of risk on an ongoing basis is based on observation of the payment profile over a predefined time horizon, recorded simultaneously on both proprietary and systemic exposures. Granularity and portfolio diversification levels are ensured for the retail segment by applying strict limits to the maximum amounts that can be agreed for credit facilities.

- Ongoing risk monitoring
Exposures and their trends are monitored on an ongoing basis using procedures that differ depending on the type of business. The objective is to promptly identify and correct potential deterioration at both individual and product portfolio levels. During the current financial year, monitoring continued as regards the processes implemented on the control platforms, the selection of the relevant drivers of performance risk, and the derisking strategies and operational processes, in line with regulatory developments regarding the homogenisation of credit classification criteria.

- Timely identification of irregular trends and identification of derisking strategies

The CRM Monitoring Unit of the Credit Risk Management Department monitors "actual" and "trend" irregularities. The monitoring of "actual" irregularities concerns entrusted business positions and relates to non-compliance with contractual provisions on the use of assigned credit limits, monitored and managed using established rules covering the frequency of checks, the amount and period of continuous overdrafts, descriptions of the actions taken and escalation. On the operational side, in order to preserve the quality of assets on an ongoing basis, close attention was paid to monitoring the early delinquency phase.

Monthly monitoring of "trend" irregularities in lending relationships involves management of those positions that individually, due to their re-occurrence, or in groups, merit identification, reporting and management. The assessment of such "trend" irregularities may lead to a review of the credit decision, with a view to protecting the capital invested on the basis of the internal delegation system.

- Monitoring and control strategies
In order to have an accurate perception of its exposure to each customer or group of customers, the Bank has a continuously updated and enhanced information base (through ad hoc strategic initiatives), which is used to proceed, if necessary, with a timely review of credit lines.
Specifically, the monitoring procedure for the commercial credit portfolio continues to be based on a tool used to measure the trend of risk assumed on existing positions providing a summary of the degree of credit risk to be potentially assigned to each customer using "actual" and "trend" irregularities of internal and external origin.

- Regular review of policies and guidelines for the granting of credit
Pursuant to the current internal regulations, the Credit Risk Management Department carries out this procedure once a year, unless interim action is necessary to meet specific operating requirements. Specifically, the Bank's focus on risk results in detailed and precise credit lending policies that are continuously reviewed to protect asset quality by identifying potential risks on a timely basis.

- Conducting stress testing exercises
A stress test is performed every three months to assess a portfolio's potential vulnerability to adverse but plausible macro-economic scenarios. The exercise is based on the use of differentiated methodological approaches and market scenarios to measure the sensitivity of risk-weighted assets to the environment, coupled with an assessment of the appropriateness of the economic capital allocation.
The current year has confirmed the ordinary operations based on the process of selecting adverse macroeconomic scenarios and the related quantification of the impacts on the Bank's risk profile, but was further corroborated by assessments of consistency and cohesiveness with respect to the short-term economic context.

Credit risk related to derivative transactions

The Bank uses derivative transactions with both commercial and institutional customers subject to operational ceilings for individual counterparties. It adopts prudent criteria to quantify the underlying risk, represented by the Potential Future Exposure (PFE).

The PFE shows the potential risk of a portfolio at a certain future date assuming an unfavourable change (exchange or interest rates) in the underlying assets/liabilities. The unfavourable change is usually determined using the historical volatility of the underlying asset/liability with a confidence level of 95%. The maximum value of the PFE is thus the best estimate of the credit exposure of a derivative in a reasonable worst case scenario. The Bank has appropriate, sophisticated tools to calculate the Mark-to-Market value of positions, through which it monitors the value at various points in time of exposures with individual counterparties.

2.3 Methods of measuring expected losses

The methodology applied by the Bank is based on the guidelines defined at Deutsche Bank Group level consistent with the requirements of IFRS 9, which provides for the classification of financial instruments into three stages according to the level of impairment.

In order to comply with the classification requirements set forth by IFRS 9, the Bank has adopted a model for classifying performing positions into Stage 1 or 2 depending on the presence of elements of significant credit risk deterioration. The criteria for recognition at the relevant stage are symmetrical: if the increased risk conditions are no longer present, the Stage-1 classification can be reinstated.
With reference to the non-performing positions, the classification logic borrows the principle of regulatory convergence, allowing substantial consistency between the application of the regulatory default, management default and activation of the Stage-3 impairment model.

The process of quantifying expected losses is carried out on the entire portfolio on the basis of forecast information that discounts sector dynamics and macroeconomic scenarios ("forward-looking" component) as required by IFRS 9.
In particular, at the time of the first recording (so-called "Stage-1") the instrument must already discount an expected loss over a time frame of 12 months.
Upon the occurrence of a significant increase in credit risk, the asset is classified in the under-performing portfolio (so-called "Stage-2"), and must discount the expected loss over the entire residual life time.
In the case of further deterioration, the classification is changed to "non-performing" ("Stage-3"), where the amount of the write-down is commensurate with the historical credit recovery performance.
The expected loss is based on point-in-time data, which partly share the methodology used to quantify unexpected losses in internal credit risk models.

The methods of quantifying expected losses are mainly based on the following methodological choices.
- Use of a consistent credit risk quantification framework for determining the Expected Credit Loss, Regulatory Capital Requirements and quantification of Economic Capital.
- Quantification of the significant increase in credit risk based on migration to Stage-2 triggers on the basis of both qualitative and quantitative assessment elements.
- Integration of the forward-looking component in the model for quantifying expected losses differentiated in the first instance on the basis of the regulatory classification of the portfolio and, furthermore, at a more granular level depending on the segmentation drivers. Forward-looking data are consistent with the process of generating macroeconomic scenarios for the main corporate processes (in extensive terms and not limited to credit risk management processes), cover a time horizon of 2 years, are processed by a specific function of the parent company and are subject to approval processes by the top management of the parent company itself.
- Application of historical recovery curves to determine both the LGD component of the performing loan and the time-dependent impairment curve, which is a function of the historically demonstrated effectiveness and efficiency of the out-of-court and in-court recovery process.
- Application of a significant level of granularity for the calibration of risk parameters, capturing the specific characteristics of the product, management process and historically recorded performance.
- Lifecycle management of risk parameter quantification models embedded in the ordinary Model Risk Management framework for the regulatory model segment: continuous monitoring of model performance, stability analysis of target parameter characteristics, assessment of the adequacy of predictive capacity, validation and ordinary back-testing. The adopted framework not only determines the independence between the development unit and the validation unit of the modelling suite, but also clearly establishes roles and responsibilities in order to preserve a continuous monitoring of the model risk.

The measurement of expected losses takes into account the recalibration of the Probability of Default (PD) on a medium to long-term scenario for both 12-month and lifetime PD.

The Deutsche Bank Group, which shares the IFRS 9 Impairment Model, performs a detailed analysis aimed at assessing the short-term corrections to the definition of macroeconomic scenarios, aimed at providing the most realistic representation of expected losses in an environment characterised by considerable volatility. In particular, in order to stabilise the macroeconomic projections in the direction of trend dynamics, estimates of the MEVs (macro-economic variables) are used over a 12-quarter time horizon. This representation allows on the one hand to evaluate the portfolio dynamics in structural conditions, and on the other hand to stabilise the process of constructing the cost of risk in the trend direction. The ordinary Expected Credit Loss modelling is constructed to capture, with a high degree of sensitivity, changes in the cycle dynamics and to incorporate them in the quantification of credit risk: such an approach would have created unmanageable and untrue fluctuations in the credit impairment quantification process. Therefore, a gradual realignment of the forward-looking estimate component to ordinary operating conditions has been undertaken, originally adjusted in order to avoid distorting dynamics in quantifying the expected loss through the adoption of IFRS 9 overlay, limited to a negligible impact at the end of the financial year in question. In addition, the conditional LGD FLI component, previously limited to a parametric approach, has been completely modelled.

At the same time, the calibration process of the historical default rate was aligned with the latest monthly survey useful for observing regulatory default events in the 12-month performance period, in order to more faithfully capture the contextual impacts on the risk performance of financial statement assets and to translate it more accurately into the estimate of the point-in-time probability of default.
With regard to the proper allocation of loan impairments, particular attention was paid to the micro-sector scenario analysis, in order to correctly assess any areas of medium-term vulnerability not captured by the modelling.

Starting from the 2021 financial year, Deutsche Bank has implemented the new definition of default.
The implementation of the new definition of default (Revised CRR Art. 178) mainly affected the Private Bank sector, where the Stage 3 population in homogeneous portfolios increased, with the corresponding ECL increasing. The implementation of the new definition of default had an impact only on customers with insignificant loss expectations. The Bank considered that this resulted in an overestimation of ECLs for Stage-3 migration dynamics that did not reflect the loss expectations for the affected portfolios at the reference date. In particular, due to implementation of the new definition of default, the Loss Given Default (LGD) parameter has required a calibration aimed at offsetting the effects of first-time adoption. As regards the implementation of the new definition of default for the purposes of the transposition of EBA/GL/2016/07, "Guidelines on the application of the definition of default under Article 178 CRR", please refer for further details to what is contained in the public disclosure (Pillar 3).
On the issue of significant increase in credit risk (SICR), the statements of the Authorities (IASB, ESMA and EBA) specified that the IFRS 9 rules should not be applied mechanically, but that the SICR assessment should differentiate between debtors whose credit quality is significantly affected by the current situation in the long term, and those who will reasonably restore their creditworthiness even considering mitigating interventions in the form of government guarantees. Therefore, acceptance of the conditions set out in the general moratorium would not necessarily lead to a reclassification of the related credits to Stage 2. The EBA has also clarified, on the issue of forbearance, that the moratorium does not result in the automatic classification of an exposure as a forborne exposure if it is based on applicable national law or an industry or sector-wide private initiative agreed and widely applied by credit institutions.

2.4 Credit risk mitigation techniques

The Bank's lending policy has always entailed, when possible, the use of tools designed to mitigate credit risk. In particular, at least as far as large customers are concerned, the most frequently used instruments concern the assumption of guarantees issued by the ultimate parent company on behalf of its subsidiaries, or, for transactions whose amount exceeds the limits concerning large risks, the obtaining of cash pledges or sureties issued by the ultimate parent company.
For retail customers, guarantees are collected, including those that only partly cover the risks assumed. With respect to mortgages for the purchase of real estate, the main types of guarantees used are property guarantees.
Personal sureties are usually collected by the Bank after they have been assessed, also by virtue of the preventive capacity against default events. In the year under review, the quality of the collateral pool adopted remained unchanged, albeit somewhat reduced in size due to the relative decrease in mortgage exposure within the portfolio mix of the retail regulatory class. On the other hand, the degree of collateralisation of the Business Banking portfolio has significantly increased, and is more assisted by unfunded credit protection measures by virtue of the support of guarantees issued at state level to maintain systemic liquidity conditions adequate for the renewed economic context, and to a lesser extent as a result of the risk containment measures adopted at the level of the Bank's risk appetite.

Structures are in place to oversee the operational aspects related to credit risk mitigation tools.

3. Impaired credit exposures

The management of impaired assets is part of the NPL management strategy, integrated into the Bank's overall business and risk strategy. This management provides for the adoption of a set of organisational controls and strategic lines aimed at optimising the quality of assets and supporting the maximisation of the profitability of the banking book, guaranteeing a level of NPL that is adequate for the risk appetite and the long-term sustainability of the value proposition.
During the year in question, this optimisation process took shape through the creation of the NPE Management operating unit, which is responsible for implementing the Bank's NPE risk optimisation levers.
In Business Banking, collection and recovery activities are carried out by the unit responsible for this task and involve management strategies that are more tailored to the characteristics of each individual collection case, while collection and recovery activities for the Retail portfolio are more automated and tailored to reflect the classification of positions by days past due. The Collection O.U. devises the recovery strategies.

Operational management of impaired exposures is decentralised to the branch level by virtue of the ownership of the relationship for the relational customer component, or assisted by outsourced management structures for impaired loans without front-end mediation. Control and supervision of management are the responsibility of the Credit Risk Management Macro-function, which also endorses the allocation of positions in accordance with regulatory classification criteria, monitors derisking strategies introduced to protect capital and coordinates actions with the debt collection department. The posting of retail positions is mainly automatically managed, given the higher relevance of the definition of "objective unlikely to pay", in line with the procedure to recover past due amounts, the due dates of which are scheduled to reflect the portfolio's ageing classes.

The reporting of impaired loans relating to all financial assets of the "Commercial Bank" is carried out by the Collection department. For the Mortgage Loans to Private Customers segment, the recognition of exposures as probable default at the end of 270 days of continuous past due date is followed by a risk assessment process that can lead to the determination of non-performing status within 360 days of past due date, except in special cases. For credit cards, reporting tends to be moved up to 180 days of continuous past due.
The factors that allow return from impaired to performing status are assessed carefully by relationship managers using updated objective and subjective data and require approval from the relevant decision-taking units.

Reclassification of impaired positions to the performing category can only be made if overdue amounts are paid.

Impairment losses on financial assets that exceed a certain amount reflect recovery estimates based on the analytical review of each impaired position. Otherwise, they are calculated automatically for small loans, using a statistical model updated regularly and which reflects the portfolio's risk trends and can convert them into appropriate risk mitigation levels. The periodic review of dedicated modelling and the guiding criteria for the determination of specific value adjustments have been marked by an increasing conservatism, aimed at a prudent representation of credit assets in the financial statements. The 2018 financial year had, in substance, recorded the adoption of the new derivation platform for the expected economic loss concurrently and consistently with the introduction of the IFRS 9. To this end, the model for quantifying the expected loss was implemented in order to translate expected losses (over a 12-month time horizon or for the entire residual maturity of the loan) into appropriate loan impairment levels for the corresponding classification stages of exposures measured at amortised cost.

Both the management and monitoring of impaired financial assets and the methods used to measure value adjustments are carried out using IT tools, which are increasingly efficient and precise, characterised by an increasing degree of integration into business practices.

At 31 December 2024, the Bank's gross non-performing cash exposures amounted to €1,019 million, down compared to the previous year (€-34 million, -3.2%). The percentage of gross impaired loans and receivables with customers stood at 4.97%.
More specifically, at the end of December 2024, non-performing loans, net of recognised value adjustments, amounted to €87 million, up compared to 2023, accounting for 0.4% of total net loans and with a coverage level of 76%. Net unlikely to pay, amounting to €321 million, were down compared to 2023 (€-36 million), accounting for 1.6% and a with coverage level of 28%. Net past due impaired loans amounted to €81 million, in line with the previous year, accounting for 0.4% and with a coverage level 60%. Included in the above loans, there are net "forborne" exposures, generated by concessions to debtors in difficulty in meeting their financial commitments, within impaired assets, amounting to €159 million, up compared with last year, with a level of adjustments on the financial statements equal to 31% of the gross exposure; net exposures classified as forborne in performing loans amounted to €283 million.
The coverage of performing loans was 0.7%.

3.1 Management strategies and policies

The asset management strategies are consistent with the value proposition of the individual business lines and with the Bank's risk appetite. The pursuit of risk-adjusted objectives, the permeability of operational processes to the risk culture and the preparation of effective credit management platforms have enabled, on the one hand, the maintenance of a consistent level of asset quality over time and, on the other, minimised the need for extraordinary measures to manage impaired assets.
The strategies for managing non-performing loans are based on the logic of portfolio segmentation, aimed at maximising the economic value of the recovery action by balancing the probability of recovering the credit exposure and the associated operating costs.
The use of credit transfer operations is a lever of the management strategy, part of the preparation of a medium-term plan aimed at creating structured partnerships with operators in the sector. These strategic options, which take the form of ongoing negotiated agreements, are aimed at the prudent and orderly management of non-performing exposure flows and the maintenance of asset quality in line with management objectives. In view of a tendency towards an increase in the incidence of impaired assets on total credit exposures, mainly due to idiosyncratic events, the management strategy adopted by the Bank has been further refined by combining medium-term negotiated agreements with targeted initiatives to sell off portfolio stocks.

The operational practice of managing non-performing loans is differentiated according to the line of business, the overall exposure of the customer under management and the characteristics of the technical form. This segmentation of the process allows for the selection of the most efficient management lever according to the characteristics of the collection case, differentiating in absolute terms between actions of a standardised nature in terms of contact methods and communication techniques for "retail credit" exposures and actions of a relational nature aimed at providing advisory support for the more complex and larger exposures typical of the "Corporate" portfolio.
The criteria adopted for the classification of credit maximise the information available on the case under management, integrate objective quantitative elements with qualitative elements typical of the relational management of customers in the post-sale processes and aim at an early identification of signals of deterioration of credit quality.
The correct classification of exposures in the relevant impaired classes is accompanied by the preparation of targeted derisking actions and of increasing severity depending on the deterioration level. The adequacy of the value adjustments is delegated to the monitoring, validation and calibration of the quantification parameters of the expected credit loss for the portion of the portfolio with a more granular character, and to the preparation of a discount cash flow statement for the positions with greater management complexity and higher nominal exposure. In the latter case, the adequacy of the valuation is guaranteed by a periodic review of the assumptions of collection, by the direct knowledge of the characteristics of the collection case by the manager in charge, by the preparation of operating procedures aimed at guaranteeing homogeneity in the valuations, and by the adoption of a hierarchical authorization process.

3.2 Write-offs

The Bank's credit management processes include criteria and procedures to regulate the criteria and application methods for asset derecognition operations. As a general rule, an accounting write-off of the gross amount of the exposure (or a portion thereof) must be made for the period in which it is determined that the receivable is likely to be uncollectible. The activation of a write-off of a residual receivable, whether full or partial, occurs only with the use of the write-down provision for Stage-3 rated positions and occurs at the same time as the assignment of a regulatory default rating.

The write-off of the receivable is made operationally after consideration of all relevant information, such as the occurrence of a significant change in the borrower's financial position that would jeopardise the full or partial repayment of the remaining contractual exposure, or if the collection expectations from the risk mitigation guarantee enforcement process are judged inadequate to prevent the recognition of credit losses.

Uncollectability is particularly clear when the borrower is in insolvency or similar proceedings that provide evidence of a material inability to meet contractual payment obligations, particularly when:
- the judicial recovery actions undertaken have failed and the likelihood of success of further initiatives is insignificant;
- the enforcement of the guarantees acquired in support of the loan has already taken place or the corresponding liquidation will not bring further benefits to mitigate the expected losses;
- no other cash inflows are expected based on the derisking strategies that have been implemented and could potentially be implemented;
- the Bank, in anticipation of the ineffectiveness or uneconomic nature of further recovery actions, agrees with the remission of the residual contractual charges against an out-of-court agreement with the borrower, which provides for partial repayment of the residual debt;
- the Bank arranges for the sale of the contractual rights to a third party for a payment lower than the value recorded in the financial statements for the underlying element of the sale.

In general, the triggering of an accounting write-off may occur before the judicial recovery process is completed and, as a general rule, the write-off (unless a settlement agreement is reached) does not result in the Bank losing the legal right to enforce the contractually defined credit.

3.3 Purchased or originated credit impaired financial assets

POCI (Purchased or Originated Credit Impaired) represent loans already impaired at the date of purchase or disbursement. At the date of initial recognition, the loan is recognised at amortised cost based on an internal rate of return calculated on the estimate of the expected credit recovery flows.

4. Financial assets subject to commercial renegotiations and forborne exposures

The Bank adopts regulated processes for the identification, classification and management of forborne exposures. The process of assigning to "Forbearance" considers all exposures for which a concession has been granted to a borrower who is experiencing or is about to experience difficulties in meeting its contractual obligations (financial difficulties). In accordance with the provisions of Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down detailed rules for the application of Regulation (EU) No. 575/2013 of the European Parliament and of the Council with regard to supervisory reporting by institutions, the granting of relief cannot be separated from the recognition of a loss and is normally subject to the following application conditions:

a) a modification of previous contractual terms and conditions which the borrower is deemed unable to meet due to its financial difficulties ("problem debt") resulting in insufficient debt service capacity and which would not have been granted if the borrower had not been in financial difficulty;

b) a full or partial refinancing of a distressed debt contract which would not have been granted if the borrower had not been in financial difficulty.

The classification as "Forbearance" takes place at the level of the individual contractual exposure subject to forbearance, where the conditions for identifying the borrower's financial difficulties are met.

The assessment of financial difficulties is based on the borrower's ability to repay regardless of the existence of risk mitigation techniques to back the loan.

The assessment of financial difficulties within the credit processes is subject to scrupulous verification and may be based on elements of an objective nature, such as the existence of a credit recovery initiative on the part of the borrower, the presence of a customer with non exact compliance with contractual obligations in the period preceding the granting of the loan, inclusion on operational early-warning/derisking lists and significant worsening of the probability of default (PD) of the customer as evidence of the deterioration of credit quality.

From a classification point of view, the activation of a "Forbearance" measure is associated with a process of quantifying the ECL from Stage 2 or Stage 3 depending on the classification of the loan at the time of granting ("performing" or "non performing"). For positions eligible for Stage-2 classification, an assessment of the conditions for reporting as UTP is also routinely required, with a potential related migration to Stage 3 and corresponding triggering of a regulatory default. The conditions for deactivation of the "Forbearance" classification are promptly assessed and subject to the control of the adequacy of the renewed conditions to the borrower's repayment capacity in a predefined time frame differentiated by Stage.

QUANTITATIVE DISCLOSURE

A. CREDIT QUALITY

A.1 NON-IMPAIRED AND IMPAIRED CREDIT EXPOSURES: AMOUNTS, VALUE ADJUSTMENTS, DYNAMICS AND ECONOMIC DISTRIBUTION

The following table shows the breakdown of non-impaired exposures by portfolio, highlighting those that have been subject to forbearance measures, with the relative past due broken down by age bracket. Overdue amounts are a characteristic of consumer credit where the collection flow timing does not coincide with the related repayment dates of the underlying loans.

A.1.1 Prudential consolidation - Distribution of financial assets by past due brackets (carrying amounts)

Portfolio/risk stages	First stage			Second stage			Third stage			Purchased or originated credit impaired		
	From 1 day up to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day up to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day up to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day up to 30 days	From over 30 days up to 90 days	Over 90 days
1. Financial assets measured at amortised cost	48,139	-	100	405,282	59,546	11,409	12,264	19,097	354,132	129	152	371
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total 2024	**48,139**	**-**	**100**	**405,282**	**59,546**	**11,409**	**12,264**	**19,097**	**354,132**	**129**	**152**	**371**
Total 2023	**134,993**	**-**	**118**	**456,610**	**61,726**	**8,684**	**33,348**	**23,838**	**321,391**	**42**	**65**	**240**

A.1.2 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and total provisions

Reasons/risk stages			**Opening total adjustments**	Increases from purchased or originated financial assets	Derecognitions other than write-offs	Net adjustments/write-backs for credit risk (+/-)	Contractual changes without derecognitions	Changes in the estimation methodology	Write-offs not recognized directly in the income statement	Other changes	**Closing total adjustments**	Recoveries from collections of financial assets subject to write-offs	Write-offs recognised directly in the income statement
Total value adjustments	Stage 1 assets	Demand loans and receivables with banks and central banks	217	-	-	432	-	-	-	(521)	**128**	-	-
		Financial assets measured at amortised cost	61,217	-	-	(4,629)	-	-	-	208	**56,796**	-	-
		Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	**-**	-	-
		Financial assets held for sale	-	-	-	-	-	-	-	-	**-**		
		of which: individual write-downs	61,434	-	-	(4,197)	-	-	-	(313)	**56,924**	-	-
		of which: collective write-downs	-	-	-	-	-	-	-	-	**-**	-	-
	Stage 2 assets	Demand loans and receivables with banks and central banks	-	-			-	-	-	11	**11**	-	-
		Financial assets measured at amortised cost	57,564	-		26,284	-	-	-	(344)	**83,504**	-	-
		Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	**-**	-	-
		Financial assets held for sale	-								**-**		
		of which: individual write-downs	57,564	-	-	26,284	-	-	-	(344)	**83,504**	-	-
		of which: collective write-downs	-	-	-	-	-	-	-	-	**-**	-	-
	Stage 3 assets	Demand loans and receivables with banks and central banks	-								**-**		-
		Financial assets measured at amortised cost	543,758	6,917	(133,699)	148,105	150	-	(1,042)	(38,913)	**525,276**	617	6,355
		Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	**-**	-	-
		Financial assets held for sale	-								**-**		
		of which: individual write-downs	543,758	6,917	(133,699)	148,105	150	-	(1,042)	(38,913)	**525,276**	617	6,355
		of which: collective write-downs	-	-	-	-	-	-	-	-	**-**	-	-
	Purchased or originated credit impaired financial assets	Financial assets measured at amortised cost	4,711			1,661				(1,286)	**5,086**		
		Financial assets measured at fair value through other comprehensive income	-								**-**		
		Financial assets held for sale	-								**-**		
		of which: individual write-downs	4,711			1,661				(1,286)	**5,086**		
		of which: collective write-downs	-								**-**		
Total provisions on commitments to disburse funds and financial guarantees issued		First stage	10,589	-	-	(2,685)	-	-		(1,497)	**6,407**	-	-
		Second stage	2,485	-	-	(2,737)	-	-	-	2,072	**1,820**	-	-
		Third stage	3,030	-	-	(5,881)	-	-	-	5,600	**2,749**		
		Commitments to disburse funds and financial guarantees issued - purchased or originated credit impaired	-	-	-		-	-	-		**-**	-	-
Total			**683,571**	**6,917**	**(133,699)**	**160,550**	**150**	**-**	**(1,042)**	**(34,670)**	**681,777**	**617**	**6,355**

A.1.3 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees issued: transfers between the different stages of credit risk (gross and nominal values)

Portfolio/risk stages	Transfers between first and second stage		Transfers between second and third stage		Transfers between first and third stage	
	from first stage to second stage	from second stage to first stage	from second stage to third stage	from third stage to second stage	from first stage to third stage	from third stage to first stage
1. Financial assets measured at amortised cost	6,296,979	717,608	121,170	25,305	158,019	11,367
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Commitments to disburse funds and financial guarantees issued	991,970	534,077	2,938	115	4,737	575
Total 2024	**7,288,949**	**1,251,685**	**124,108**	**25,420**	**162,756**	**11,942**
Total 2023	**1,626,851**	**1,428,391**	**138,912**	**18,033**	**239,063**	**14,611**

A.1.4 Prudential consolidation - On- and off-statement of financial position credit exposures to banks: gross and carrying amounts

Types of exposures/amounts	Gross amount					Total value adjustments and total provisions					Carrying amount	Overall partial write-offs (*)
		First stage	Second stage	Third stage	Purchased or originated credit impaired		First stage	Second stage	Third stage	Purchased or originated credit impaired		
A. On-statement of financial position credit exposures												
A.1 On demand												
a) Impaired	-	X				-	X				-	
b) Non-impaired	4,790,612	4,790,439	173	X		(15)	(4)	(11)	X		4,790,597	
A.2 OTHER												
a) Non-performing loans	-	X		-		-	X				-	-
- of which: forborne exposures	-	X		-		-	X				-	-
b) Unlikely to pay	-	X		-		-	X				-	-
- of which: forborne exposures	-	X		-		-	X				-	-
c) Impaired past due exposures	-	X		-		-	X				-	-
- of which: forborne exposures	-	X		-		-	X				-	-
d) Non-impaired past due exposures	-			X		-	-		X		-	-
- of which: forborne exposures	-	-		X		-			X		-	-
e) Other non-impaired exposures	4,422,757	4,422,757		X		(123)	(123)		X		4,422,634	-
- of which: forborne exposures	-	-		X		-			X		-	-
TOTAL A	**9,213,369**	**9,213,196**	**173**	**-**	**-**	**(138)**	**(127)**	**(11)**	**-**	**-**	**9,213,231**	**-**
B. Off-statement of financial position credit exposures												
a) Impaired	-	X				-					-	-
b) Non-impaired	3,998,664	1,915,350	29,572	X		(290)	(228)	(62)			3,998,374	-
TOTAL B	**3,998,664**	**1,915,350**	**29,572**	**-**	**-**	**(290)**	**(228)**	**(62)**	**-**	**-**	**3,998,374**	**-**
TOTAL A + B	**13,212,033**	**11,128,546**	**29,745**	**-**	**-**	**(428)**	**(355)**	**(73)**	**-**	**-**	**13,211,605**	**-**

(*) Value to be disclosed for information purposes

A.1.5 Prudential consolidation - On- and off-statement of financial position credit exposures to customers: gross and carrying amounts

Types of exposures/amounts	Gross amount					Total value adjustments and total provisions					Carrying amount	Overall partial write-offs (*)
		First stage	Second stage	Third stage	Purchased or originated credit impaired		First stage	Second stage	Third stage	Purchased or originated credit impaired		
A. On-statement of financial position credit exposures												
a) Non-performing loans	366,820	X		366,701	119	(280,015)	X		(279,929)	(86)	86,805	(32,297)
- of which: forborne exposures	39,349	X		39,254	95	(24,282)	X		(24,209)	(73)	15,067	(2,567)
b) Unlikely to pay	449,111	X		441,259	7,852	(127,965)	X		(122,983)	(4,982)	321,146	-
- of which: forborne exposures	174,559	X		167,660	6,899	(44,316)	X		(39,739)	(4,577)	130,243	-
c) Impaired past due exposures	203,284	X		201,225	2,059	(122,380)	X		(122,364)	(16)	80,904	-
- of which: forborne exposures	15,291	X		13,255	2,036	(1,797)	X		(1,797)	-	13,494	-
d) Non-impaired past due exposures	548,242	48,307	499,874	X	61	(23,706)	(68)	(23,638)	X	-	524,536	-
- of which: forborne exposures	16,613	-	16,613	X	-	(271)	-	(271)	X	-	16,342	-
e) Other non-impaired exposures	18,927,284	16,542,769	2,382,732	X	1,783	(116,595)	(56,728)	(59,865)	X	(2)	18,810,689	-
- of which: forborne exposures	272,165	4,806	267,359	X	-	(4,651)	(2)	(4,649)	X	-	267,514	-
TOTAL A	**20,494,741**	**16,591,076**	**2,882,606**	**1,009,185**	**11,874**	**(670,661)**	**(56,796)**	**(83,503)**	**(525,276)**	**(5,086)**	**19,824,080**	**(32,297)**
B. Off-statement of financial position credit exposures												
a) Impaired	47,151	X		47,151		(9,488)	X	-	(9,488)	-	37,663	-
b) Non-impaired	13,879,784	12,861,877	999,112	X		(10,539)	(7,868)	(2,671)	X	-	13,869,245	-
TOTAL B	**13,926,935**	**12,861,877**	**999,112**	**47,151**	**-**	**(20,027)**	**(7,868)**	**(2,671)**	**(9,488)**	**-**	**13,906,908**	**-**
TOTAL A + B	**34,421,676**	**29,452,953**	**3,881,718**	**1,056,336**	**11,874**	**(690,688)**	**(64,664)**	**(86,174)**	**(534,764)**	**(5,086)**	**33,730,988**	**(32,297)**

A.1.6 Prudential consolidation - On-statement of financial position credit exposures to banks: changes in gross impaired exposures

None.

A.1.6bis Prudential consolidation - On-statement of financial position credit exposures to banks: changes in gross exposures subject to forbearance measures broken down by credit quality

None.

A.1.7 Prudential consolidation - On-statement of financial position credit exposures to customers: changes in gross impaired exposures

Reasons/Categories	Non-performing loans	Unlikely to pay	Impaired past due exposures	**Total**
A. Opening gross exposure	**350,050**	**488,782**	**213,968**	**1,052,800**
- of which: exposures transferred but not derecognised	-	-	-	-
B. Increases	**250,043**	**216,830**	**283,047**	**749,920**
B.1 inflows from non-impaired exposures	221	92,192	256,252	348,665
B.2 transfers from purchased or originated credit impaired financial assets	89	6,301	2,014	8,404
B.3 transfers from other impaired exposure categories	226,080	36,660	5,919	268,659
B.4 contractual changes without derecognitions	-	41	-	41
B.5 other increases	23,653	81,636	18,862	124,151
C. Decreases	**(233,273)**	**(256,501)**	**(293,731)**	**(783,505)**
C.1 outflows to non-impaired exposures	(635)	(19,387)	(49,113)	(69,135)
C.2 write-offs	(6,340)	-	-	(6,340)
C.3 collections	(27,579)	(129,161)	(44,168)	(200,908)
C.4 gains on sales	(25,869)	-	-	(25,869)
C.5 losses on sales	(589)	-	-	(589)
C.6 transfers to other impaired exposure categories	(7,201)	(75,372)	(186,086)	(268,659)
C.7 contractual changes without derecognitions	-	(80)	(18)	(98)
C.8 other decreases	(165,060)	(32,501)	(14,346)	(211,907)
D. Closing gross exposure	**366,820**	**449,111**	**203,284**	**1,019,215**
- of which: exposures transferred but not derecognised	-	-	-	-

A.1.7bis Prudential consolidation - On-statement of financial position credit exposures to customers: changes in gross exposures subject to forbearance measures broken down by credit quality

Reasons/quality	Forborne exposures: impaired	Forborne exposures: non-impaired
A. Opening gross exposure	**220,870**	**183,817**
- of which: exposures transferred but not derecognised	-	-
B. Increases	**118,124**	**235,088**
B.1 inflows from non-impaired exposures, not subject to forbearance measures	1,355	192,760
B.2 inflows from non-impaired exposures, subject to forbearance measures	21,674	X
B.3 inflows from impaired exposures, subject to forbearance measures	X	15,519
B.4 inflows from impaired exposures, not subject to forbearance measures	82,291	-
B.5 other increases	12,804	26,809
C. Decreases	**(109,795)**	**(130,127)**
C.1 outflows to non-impaired exposures, not subject to forbearance measures	X	(47,037)
C.2 outflows to non-impaired exposures, subject to forbearance measures	(15,519)	X
C.3 outflows to impaired exposures, subject to forbearance measures	X	(21,674)
C.4 write-offs	(3,517)	-
C.5 collections	(24,243)	(50,010)
C.6 gains on sales	(2,181)	-
C.7 losses on sales	(21,125)	-
C.8 other decreases	(43,210)	(11,406)
D. Closing gross exposure	**229,199**	**288,778**
- of which: exposures transferred but not derecognised	-	-

A.1.8 Prudential consolidation - Impaired on-statement of financial position credit exposures to banks: changes in total value adjustments

None.

A.1.9 Prudential consolidation - Impaired on-statement of financial position credit exposures to customers: changes in total value adjustments

Reasons/Categories	Non-performing loans		Unlikely to pay		Impaired past due exposures		TOTAL	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. Opening total adjustments	**283,667**	**33,900**	**131,192**	**39,722**	**133,608**	**2,294**	**548,467**	**75,916**
- of which: exposures transferred but not derecognised	-	-	-	-	-	-	-	-
B. Increases	**435,756**	**43,011**	**191,161**	**53,396**	**248,162**	**2,459**	**875,079**	**98,866**
B.1 value adjustments of purchased or originated credit impaired financial assets	231	X	6,657	X	29	X	6,917	X
B.2. other value adjustments	311,589	32,645	175,229	52,343	210,900	2,298	697,718	87,286
B.3 losses on sales	589	-	-	-	-	-	589	-
B.4 transfers from other impaired exposure categories	122,697	10,366	5,840	721	3,992	29	132,529	11,116
B.5 contractual changes without derecognitions	-	-	41	7	11	7	52	14
B.6 other increases	650	-	3,394	325	33,230	125	37,274	450
C. Decreases	**(439,408)**	**(52,629)**	**(194,388)**	**(48,802)**	**(259,390)**	**(2,956)**	**(893,186)**	**(104,387)**
C.1 write-backs from valuation	(261,274)	(47,425)	(112,726)	(26,046)	(69,906)	(370)	(443,906)	(73,841)
C.2 write-backs from collections	(27,840)	(1,515)	(46,507)	(11,580)	(68,792)	(1,824)	(143,139)	(14,919)
C.3 gains on sales	(5,395)	-	-	-	-	-	(5,395)	-
C.4 write-offs	(6,340)	(3,523)	(3,002)	-	-	-	(9,342)	(3,523)
C.5 transfers to other	(4,560)	(132)	(30,328)	(10,522)	(97,641)	(462)	(132,529)	(11,116)
C.6 contractual changes without derecognitions	-		(80)	(77)	(18)	(2)	(98)	(79)
C.7 other decreases	(133,999)	(34)	(1,745)	(577)	(23,033)	(298)	(158,777)	(909)
D. Closing gross exposure	**280,015**	**24,282**	**127,965**	**44,316**	**122,380**	**1,797**	**530,360**	**70,395**
- of which: exposures transferred but not derecognised		-	-	-	-	-	-	-

The tables below summarise the performance of the following indicators for loans and receivables with customers for the period 2014-2024:
- impaired assets and non-performing loans to total loans;
- coverage of impaired assets, provisions for risks/gross exposure;
- coverage of non-performing loans, provisions for risks/gross exposure.

Impaired/non-performing loans to total loans

Reference year (Data in €/million)	Loans and receivables with customers (item 40b S. of F. P.)	Net impaired loans	% of total loans	Of which net non-performing loans	% of total loans
Balances at 31 December 2014	17,790	419	**2.4%**	218	**1.2%**
Balances at 31 December 2015	17,639	314	**1.8%**	173	**1.0%**
Balances at 31 December 2016	17,109	275	**1.6%**	158	**0.9%**
Balances at 31 December 2017	17,392	267	**1.5%**	151	**0.9%**
Balances at 31 December 2018	18,217	137	**0.8%**	39	**0.2%**
Balances at 31 December 2019	19,489	199	**1.0%**	37	**0.2%**
Balances at 31 December 2020	19,505	192	**1.0%**	51	**0.3%**
Balances at 31 December 2021	20,326	384	**1.9%**	83	**0.4%**
Balances at 31 December 2022	21,116	495	**2.3%**	60	**0.3%**
Balances at 31 December 2023	20,200	504	**2.5%**	66	**0.3%**
Balances at 31 December 2024	19,824	489	**2.5%**	87	**0.4%**

Coverage ratio of impaired items - risk provisions/gross exposure

Reference year (Data in €/million)	Impaired loans, gross amount	Provisions for risks	Net impaired loans	% of coverage
Balances at 31 December 2014	1,222	(803)	419	**65.7%**
Balances at 31 December 2015	1,072	(758)	314	**70.7%**
Balances at 31 December 2016	888	(613)	275	**69.0%**
Balances at 31 December 2017	854	(587)	267	**68.7%**
Balances at 31 December 2018	748	(611)	137	**81.7%**
Balances at 31 December 2019	742	(543)	199	**73.2%**
Balances at 31 December 2020	759	(567)	192	**74.7%**
Balances at 31 December 2021	972	(588)	384	**60.5%**
Balances at 31 December 2022	1,041	(546)	495	**52.4%**
Balances at 31 December 2023	1,053	(549)	504	**52.1%**
Balances at 31 December 2024	1,019	(530)	489	**52.0%**

Coverage ratio of non-performing loans - risk provision/gross exposure

Reference year (Data in €/million)	Non-performing loans, gross amount	Provisions for risks	Net non-performing loans	% of coverage
Balances at 31 December 2014	897	(679)	218	**75.7%**
Balances at 31 December 2015	839	(666)	173	**79.4%**
Balances at 31 December 2016	673	(515)	158	**76.5%**
Balances at 31 December 2017	638	(487)	151	**76.3%**
Balances at 31 December 2018	536	(497)	39	**92.7%**
Balances at 31 December 2019	454	(417)	37	**91.9%**
Balances at 31 December 2020	473	(422)	51	**89.2%**
Balances at 31 December 2021	473	(390)	83	**82.5%**
Balances at 31 December 2022	400	(340)	60	**85.0%**
Balances at 31 December 2023	350	(284)	66	**81.1%**
Balances at 31 December 2024	367	(280)	87	**76.3%**

A.2 CLASSIFICATION OF EXPOSURES USING EXTERNAL AND INTERNAL RATINGS

A.2.1 Prudential consolidation - Distribution of financial assets, commitments to disburse funds and financial guarantees issued: by external rating classes (gross values)

The parent company does not use external ratings to classify on- and off-statement of financial position exposures.

A.2.2 Prudential consolidation - Distribution of financial assets, commitments to disburse funds and financial guarantees issued: by internal rating classes (gross values)

The parent company uses an internal rating system to classify banking and non-banking customers.

This rating system is linked to the attribution of the PD (probability of default), a parameter that is used for the classification and evaluation of the loan portfolio on a collective basis.

The classification of loans by internal rating is not used for the purpose of calculating capital requirements.

The following tables show for the year 2024 and 2023 the breakdown by internal rating class of on-statement of financial position exposures of financial assets measured at amortised cost and fair value through other comprehensive income, for guarantees issued, for commitments to disburse funds with certain and uncertain use, and for other transactions.

YEAR 2024

Internal rating classes	A. Financial assets measured at amortised cost				B. Financial assets measured at fair value through other comprehensive income				C. Financial assets measured as held for sale				Total (A + B + C)	D. Commitments to disburse funds and financial guarantees issued				Total (D)	Total (A + B + C + D)
	First stage	Second stage	Third stage	Purchased or originated credit impaired	First stage	Second stage	Third stage	Purchased or originated credit impaired	First stage	Second stage	Third stage	Purchased or originated credit impaired		First stage	Second stage	Third stage	Purchased or originated credit impaired		
iAAA	8,036	1,477	-	-	-	-	-	-	-	-	-	-	9,513	30,585	341	-	-	30,926	40,439
iAA+	38,793	1,409	-	-	-	-	-	-	-	-	-	-	40,202	277,528	4,084	-	-	281,612	321,814
iAA	80,967	9,789	-	-	-	-	-	-	-	-	-	-	90,756	234,057	7,026	-	-	241,083	331,839
iAA-	174,979	29,396	-	-	-	-	-	-	-	-	-	-	204,375	573,092	17,148	-	-	590,240	794,615
iA+	140,025	914	-	-	-	-	-	-	-	-	-	-	140,939	475,304	6,882	-	-	482,186	623,125
iA	383,801	4,264,398	-	8	-	-	-	-	-	-	-	-	4,648,207	1,376,353	595,697	-	-	1,972,050	6,620,257
iA-	905,693	60,133	-	168	-	-	-	-	-	-	-	-	965,994	548,295	6,223	-	-	554,518	1,520,512
iBBB+	1,921,141	117,844	-	173	-	-	-	-	-	-	-	-	2,039,158	1,966,387	85,020	-	-	2,051,407	4,090,565
iBBB	2,316,462	118,965	-	565	-	-	-	-	-	-	-	-	2,435,992	1,252,229	27,951	-	-	1,280,180	3,716,172
iBBB-	2,137,532	177,846	-	594	-	-	-	-	-	-	-	-	2,315,972	1,057,546	50,089	-	-	1,107,635	3,423,607
iBB+	2,596,264	300,713	-	249	-	-	-	-	-	-	-	-	2,897,226	562,005	90,958	-	-	652,963	3,550,189
iBB	2,447,008	343,134	14,920	11	-	-	-	-	-	-	-	-	2,805,073	277,381	105,720	259	-	383,360	3,188,433
iBB-	1,975,312	200,504	-	18	-	-	-	-	-	-	-	-	2,175,834	135,571	58,257	-	-	193,828	2,369,662
iB+	1,044,968	464,218	-	8	-	-	-	-	-	-	-	-	1,509,194	60,149	111,776	-	-	171,925	1,681,119
iB	358,997	373,451	-	38	-	-	-	-	-	-	-	-	732,486	89,823	151,232	-	-	241,055	973,541
iB-	95,141	368,087	467	1	-	-	-	-	-	-	-	-	463,696	531	18,078	-	-	18,609	482,305
iCCC+	8,243	108,096	-	6	-	-	-	-	-	-	-	-	116,345	410	5,492	-	-	5,902	122,247
iCCC	1,638	87,729	-	-	-	-	-	-	-	-	-	-	89,367	5,389	3,065	-	-	8,454	97,821
iCCC-	396	87,697	18,399	6	-	-	-	-	-	-	-	-	106,498	34	11,216	5	-	11,255	117,753
iCC+	-	-	20,458	1,216	-	-	-	-	-	-	-	-	21,674	-	-	300	-	300	21,974
iCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iCC-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iC+	-	-	5	-	-	-	-	-	-	-	-	-	5	-	18	4	-	22	27
iC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iC-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	3	3
ID	609	1,952	954,858	8,814	-	-	-	-	-	-	-	-	966,233	-	6	25,300	-	25,306	991,539
Unassigned rating	126,841	15,840	78	-	-	-	-	-	-	-	-	-	142,759	222,550	340	2	-	222,892	365,651
Total 2024	**16,762,846**	**7,133,592**	**1,009,185**	**11,875**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24,917,498**	**9,145,219**	**1,356,619**	**25,873**	**-**	**10,527,711**	**35,445,209**

YEAR 2023

Internal rating classes	A. Financial assets measured at amortised cost				B. Financial assets measured at fair value through other comprehensive income				C. Financial assets measured as held for sale				Total (A + B + C)	D. Commitments to disburse funds and financial guarantees issued				Total (D)	Total (A + B + C + D)
	First stage	Second stage	Third stage	Purchased or originated credit impaired	First stage	Second stage	Third stage	Purchased or originated credit impaired	First stage	Second stage	Third stage	Purchased or originated credit impaired		First stage	Second stage	Third stage	Purchased or originated credit impaired		
iAAA	26,578	-	-	-	-	-	-	-	-	-	-	-	26,578	-	-	-	-	-	26,578
iAA+	11,274	1	-	-	-	-	-	-	-	-	-	-	11,275	2,794	22	-	-	2,816	14,091
iAA	88,956	4	-	-	-	-	-	-	-	-	-	-	88,960	320,093	1,132	-	-	321,225	410,185
iAA-	35,875	734	-	-	-	-	-	-	-	-	-	-	36,609	127,876	10,163	-	-	138,039	174,648
iA+	119,705	292	-	-	-	-	-	-	-	-	-	-	119,997	71,174	71,460	-	-	142,634	262,631
iA	6,971,022	2,038	-	-	-	-	-	-	-	-	-	-	6,973,060	1,603,439	62,083	-	-	1,665,522	8,638,582
iA-	708,253	8,907	-	-	-	-	-	-	-	-	-	-	717,160	1,160,765	49,390	-	-	1,210,155	1,927,315
iBBB+	771,391	149,862	-	199	-	-	-	-	-	-	-	-	921,452	1,425,758	116,573	-	-	1,542,331	2,463,783
iBBB	1,976,547	60,001	-	437	-	-	-	-	-	-	-	-	2,036,985	1,681,507	32,573	-	-	1,714,080	3,751,065
iBBB-	2,011,676	95,503	11,490	179	-	-	-	-	-	-	-	-	2,118,848	881,996	62,354	1	-	944,351	3,063,199
iBB+	2,361,984	196,960	10,805	284	-	-	-	-	-	-	-	-	2,570,033	641,188	104,150	-	-	745,338	3,315,371
iBB	2,583,370	281,210	-	498	-	-	-	-	-	-	-	-	2,865,078	500,566	78,152	-	-	578,718	3,443,796
iBB-	3,237,270	302,582	7,787	116	-	-	-	-	-	-	-	-	3,547,755	439,252	105,884	-	-	545,136	4,092,891
iB+	2,201,547	332,720	-	26	-	-	-	-	-	-	-	-	2,534,293	240,898	63,580	-	-	304,478	2,838,771
iB	892,807	336,003	-	24	-	-	-	-	-	-	-	-	1,228,834	71,988	73,986	-	-	145,974	1,374,808
iB-	195,376	231,151	-	10	-	-	-	-	-	-	-	-	426,537	63,398	24,498	-	-	87,896	514,433
iCCC+	33,682	203,205	-	4	-	-	-	-	-	-	-	-	236,891	16,577	32,176	-	-	48,753	285,644
iCCC	7,490	110,012	-	19	-	-	-	-	-	-	-	-	117,521	747	6,838	-	-	7,585	125,106
iCCC-	3,097	109,619	6,103	4	-	-	-	-	-	-	-	-	118,823	102	9,293	-	-	9,395	128,218
iCC+	43	-	48,747	796	-	-	-	-	-	-	-	-	49,586	3	-	2,691	-	2,694	52,280
iCC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iCC-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iC+	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iC-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ID	640	1,939	960,891	6,126	-	-	-	-	-	-	-	-	969,596	3	11	53,555	-	53,569	1,023,165
Unassigned rating	112,885	26,213	55	-	-	-	-	-	-	-	-	-	139,153	105,820	25,002	-	-	130,822	269,975
Total 2023	**24,351,468**	**2,448,956**	**1,045,878**	**8,722**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**27,855,024**	**9,355,944**	**929,320**	**56,247**	**-**	**10,341,511**	**38,196,535**

A.3 BREAKDOWN OF GUARANTEED CREDIT EXPOSURES BY TYPE OF GUARANTEE

A.3.1 Guaranteed on- and off-statement of financial position credit exposures to banks

	Gross amount	Carrying amount	Collateral (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Endorsement credits				
			Property - mortgages	Property - finance leases	Securities	Other collateral	Credit linked notes	Other derivatives				Public authorities	Banks	Other financial companies	Other	
								Central counterparties	Banks	Other financial companies	Other					
1. Guaranteed on-statement of financial position credit exposures:																
1.1. fully guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2. partially guaranteed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Guaranteed off-statement of financial position credit exposures:																
2.1. fully guaranteed	**75,490**	**75,403**	-	-	-	**5,509**	-	-	-	-	-	-	227	69,668	-	**75,404**
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. partially guaranteed	**75,303**	**75,274**	-	-	-	112	-	-	-	-	-	-	-	22,908	-	**23,020**
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.3.2 Guaranteed credit exposures to customers

	Gross exposure amount	Carrying amount	Collateral (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Endorsement credits				
			Property - mortgages	Property - finance leases	Securities	Other collateral	Credit linked notes	Other derivatives				Public authorities	Banks	Other financial companies	Other	
								Central counterparties	Banks	Other financial companies	Other					
1. Guaranteed on-statement of financial position credit exposures:																
1.1. fully guaranteed	**8,191,641**	**8,000,371**	4,828,523	-	864,111	731,005	-	-	-	-	-	400,335	10,899	101,733	1,016,716	**7,953,322**
- of which impaired	**335,051**	**167,300**	86,953	-	905	8,479	-	-	-	-	-	30,308	-	1,709	37,797	**166,151**
1.2. partially guaranteed	**2,321,028**	**2,241,142**	9,049	-	91,973	26,392	-	-	-	-	-	1,125,358	-	133,181	108,757	**1,494,710**
- of which impaired	**286,559**	**218,365**	332	-	9,955	34	-	-	-	-	-	137,608	-	43,218	1,788	**192,935**
2. Guaranteed off-statement of financial position credit exposures:																
2.1. fully guaranteed	**5,323,458**	**5,318,713**	50,894	-	557,643	124,825	-	-	-	-	-	12,465	1,341,568	514,878	2,715,341	**5,317,614**
- of which impaired	**10,774**	**7,228**	-	-	346	369	-	-	-	-	-	167	-	2,996	3,327	**7,205**
2.2. partially guaranteed	**689,996**	**687,770**	-	-	11,162	76,721	-	-	-	-	-	9,250	82,144	110,443	73,893	**363,613**
- of which impaired	**11,719**	**10,005**	-	-	32	2,433	-	-	-	-	-	333	-	450	2,643	**5,891**

A.4 PRUDENTIAL CONSOLIDATION - FINANCIAL AND NON-FINANCIAL ASSETS OBTAINED BY ENFORCEMENT OF GUARANTEES RECEIVED

None.

B. BREAKDOWN AND CONCENTRATION OF CREDIT EXPOSURES

B.1 Prudential consolidation - Sectoral breakdown of on- and off-statement of financial position credit exposures to customers

Exposure/Counterparty	Public authorities		Financial companies		Financial companies (of which: insurance companies)		Non-financial companies		Households		Total	
	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments
A. On-statement of financial												
A.1 Non-performing loans	-	-	14	(458)	-	-	61,568	(165,879)	25,223	(113,678)	86,805	(280,015)
- of which: forborne exposures	-	-	2	(35)	-	-	13,808	(23,172)	1,257	(1,075)	15,067	(24,282)
A.2 Unlikely to pay	98,287	(967)	386	(68)	-	-	194,493	(105,643)	27,980	(21,287)	321,146	(127,965)
- of which: forborne exposures	-	-	10	(9)	-	-	115,092	(37,220)	15,141	(7,087)	130,243	(44,316)
A.3 Impaired past-due exposures	10	(27)	44	(23)	-	-	17,316	(1,730)	63,534	(120,600)	80,904	(122,380)
- of which: forborne exposures	-	-	-	-	-	-	12,271	(64)	1,223	(1,733)	13,494	(1,797)
A.4 Non-impaired exposures	39,418	(25)	1,082,060	(2,268)	-	-	6,756,887	(34,984)	11,456,860	(103,024)	19,335,225	(140,301)
- of which: forborne exposures	-	-	2,248	(12)	-	-	236,427	(4,484)	45,181	(426)	283,856	(4,922)
TOTAL A	**137,715**	**(1,019)**	**1,082,504**	**(2,817)**	**-**	**-**	**7,030,264**	**(308,236)**	**11,573,597**	**(358,589)**	**19,824,080**	**(670,661)**
B. Off-statement of financial position exposures												
B.1 Impaired exposures	-	-	-	-	-	-	33,421	(9,172)	4,242	(316)	37,663	(9,488)
B.2 Non-impaired exposures	256	(1)	823,232	(491)	-	-	12,363,605	(9,367)	682,152	(680)	13,869,245	(10,539)
TOTAL B	**256**	**(1)**	**823,232**	**(491)**	**-**	**-**	**12,397,026**	**(18,539)**	**686,394**	**(996)**	**13,906,908**	**(20,027)**
TOTAL A+B 2024	**137,971**	**(1,020)**	**1,905,736**	**(3,308)**	**-**	**-**	**19,427,290**	**(326,775)**	**12,259,991**	**(359,585)**	**33,730,988**	**(690,688)**
TOTAL A+B 2023	**228,467**	**(3,416)**	**1,537,026**	**(5,519)**	**35**	**-**	**19,271,659**	**(345,708)**	**12,774,346**	**(344,242)**	**33,811,498**	**(698,885)**

B.2 Prudential consolidation - Geographical breakdown of on- and off-statement of financial position credit exposures to customers

Exposures/Geographic areas	Italy		Other European countries		America		Asia		Rest of the world		Total	
	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments
A. On-statement of financial position exposures												
A.1 Non-performing loans	86,798	(279,978)	3	(30)	4	(7)	-	-	-	-	86,805	(280,015)
A.2 Unlikely to pay	203,314	(126,998)	19,546	-	-	-	-	-	98,286	(967)	321,146	(127,965)
A.3 Impaired past-due exposures	80,904	(122,380)	-	-	-	-	-	-	-	-	80,904	(122,380)
A.4 Non-impaired exposures	18,647,243	(138,784)	380,340	(283)	27,215	(17)	22,387	(1)	258,040	(1,216)	19,335,225	(140,301)
TOTAL A	**19,018,259**	**(668,140)**	**399,889**	**(313)**	**27,219**	**(24)**	**22,387**	**(1)**	**356,326**	**(2,183)**	**19,824,080**	**(670,661)**
B. Off-statement of financial position exposures												
B.1 Impaired exposures	37,662	(9,488)	1	-	-	-	-	-	-	-	37,663	(9,488)
B.2 Non-impaired exposures	12,434,093	(10,316)	1,074,658	(165)	282,808	(38)	1,788	-	75,898	(20)	13,869,245	(10,539)
TOTAL B	**12,471,755**	**(19,804)**	**1,074,659**	**(165)**	**282,808**	**(38)**	**1,788**	**-**	**75,898**	**(20)**	**13,906,908**	**(20,027)**
TOTAL A+B 2024	**31,490,014**	**(687,944)**	**1,474,548**	**(478)**	**310,027**	**(62)**	**24,175**	**(1)**	**432,224**	**(2,203)**	**33,730,988**	**(690,688)**
TOTAL A+B 2023	**31,758,915**	**(694,539)**	**1,248,427**	**(338)**	**379,690**	**(37)**	**24,203**	**(4)**	**400,263**	**(3,967)**	**33,811,498**	**(698,885)**

B.3 Prudential consolidation - Geographical breakdown of on- and off-statement of financial position credit exposures to banks

Exposures/Geographic areas	Italy		Other European countries		America		Asia		Rest of the world		Total	
	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments	Carrying amount	Total value adjustments
A. On-statement of financial position exposures												
A.1 Non-performing loans	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-	-	-
A.3 Impaired past-due exposures	-	-	-	-	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	1,333,609	(138)	7,868,776	-	7,988	-	2,246	-	612	-	9,213,231	(138)
TOTAL A	**1,333,609**	**(138)**	**7,868,776**	**-**	**7,988**	**-**	**2,246**	**-**	**612**	**-**	**9,213,231**	**(138)**
B. Off-statement of financial position exposures												
B.1 Impaired exposures	-	-	-	-	-	-	-	-	-	-	-	-
B.2 Non-impaired exposures	241,087	(133)	1,452,233	(34)	166,507	(5)	128,318	(74)	9,239	(44)	1,997,384	(290)
TOTAL B	**241,087**	**(133)**	**1,452,233**	**(34)**	**166,507**	**(5)**	**128,318**	**(74)**	**9,239**	**(44)**	**1,997,384**	**(290)**
TOTAL A+B 2024	**1,574,696**	**(271)**	**9,321,009**	**(34)**	**174,495**	**(5)**	**130,564**	**(74)**	**9,851**	**(44)**	**11,210,615**	**(428)**
TOTAL A+B 2023	**1,540,084**	**(229)**	**10,750,370**	**(7)**	**161,204**	**(7)**	**95,838**	**(12)**	**16,426**	**(2)**	**12,563,922**	**(257)**

B.4 Large exposures

	31 12 2018	31 12 2017	31 12 2016
a) Carrying amount	11,579,057	11,960,413	11,300,900
b) Weighted amount	644,331	292,249	175,703
c) Number	8	7	7

It should be noted that from the 2019 financial year, the parent company is no longer required to prepare supervisory reports on a consolidated basis. Data for the last three years to which these reports refer (2016-2018) are provided for information purposes.

C. SECURITISATION TRANSACTIONS

This section does not include securitisation transactions in which the parent company is the originator and for which all the liabilities issued (e.g. ABS securities) by the vehicle companies are underwritten at the time of issue by the parent company or by one or more Group companies. For an explanation of these types of transactions, please refer to the section on liquidity risk in Part E of the Notes to the Consolidated Financial Statements.

QUALITATIVE DISCLOSURE

During the year under review and in the previous year, the Bank did not carry out any securitisation transactions nor did it purchase any securities issued by special purpose entities as part of such transactions.

At the reporting date, like at 31 December 2023, the Bank has no exposures with unconsolidated SPEs and for structured financial products used for securitisations. Moreover, the Bank has not entered into credit derivative agreements for protection of sales, such as credit default swaps, nor has it purchased securities like credit linked notes.
More generally, there are no exposures to high-risk financial product categories, such as junior and mezzanine securities related to securitisations (ABS or CDOs); furthermore, no CDS agreements have been sold and there are no exposures to monoline insurance.

As regards the issue of covered bonds carried out by the Bank in 2012, please refer to the specific chapter of the Explanatory Notes that follows.

QUANTITATIVE DISCLOSURE

This is not relevant for the years 2024 and 2023.

D. TRANSFER TRANSACTIONS

A. FINANCIAL ASSETS TRANSFERRED AND NOT FULLY DERECOGNISED

There are no financial assets sold and not derecognised at the year end date.
For this reason, the tables in the Notes to the Financial Statements E.1, E.2 and E.3, required to describe the quantitative aspects of the financial assets sold and not fully derecognised, are not shown here.

B. FINANCIAL ASSETS TRANSFERRED AND FULLY DERECOGNISED, WITH RECOGNITION OF CONTINUING INVOLVEMENT

None.

C. FINANCIAL ASSETS TRANSFERRED AND FULLY DERECOGNISED

None.

D. Prudential consolidation - covered bond transactions

Description of the covered bond issuance programme

In 2012, the Management Board of the Bank approved a programme whose objective was to generate local funding independently and in addition to the current financing provided by the ultimate parent company Deutsche Bank AG by issuing covered bonds to be used as collateral for financing transactions with the European Central Bank (ECB) via the Bank of Italy, as a monetary policy instrument in the Eurosystem (including by replacing the securities already pledged as guarantee for previous transactions and received through securities lending carried out by Deutsche Bank AG).

Accordingly, during the first half of 2012, the Bank launched a covered bond issuance programme using residential mortgage loans as the underlying assets. This programme is governed, at a regulatory level, mainly:
(i) by the specific provisions referred to in Article 7-bis of Law no. 130 of 30 April 1999 (on the subject of credit securitisation);
(ii) by the regulation of the Ministry of Economy and Finance no. 310 of 14 December 2006 (which governs: the maximum ratio between the covered bonds and the assets sold; the identification of the type of such assets and those, with equivalent risk profiles, that can be used for their subsequent integration; the characteristics of the guarantee);
(iii) the supervisory provisions of the Bank of Italy (New prudential supervisory provisions for banks, which establish the prudential requirements of the issuing banks – in terms of capital requirements and limits on the sale of assets – and related controls).

In a nutshell, the programme consists of the following main phases:
(a) one or more transfers of loans by the Bank (performing mortgage loans granted to private customers by the Private & Business Clients division, via its BancoPosta, Prestitempo and PBB channels) in favour of the SPV specifically set up and registered under Article 106 of the Consolidated Banking Act. The asset pools comply with the definition of a portfolio as per Law no. 130 and were identified using objective criteria. They were transferred without recourse;
(b) a subordinated loan granted by the Bank to the SPV to meet the obligations to pay the purchase price of the loans;
(c) the issuance of the first demand, autonomous, irrevocable and unconditional guarantee by the SPV in favour of the covered bond holders and with limited recourse to the assets sold;
(d) one or more covered bond issues by the Bank;
(e) the listing of the covered bonds on the Luxembourg Stock Exchange (CSSF);
(f) the execution of hedging derivatives, both for the Bank and for the SPV, with Deutsche Bank AG - London branch; (please note that in July 2024, the swap contracts were not renewed upon expiry; the asset swaps in question were defined in 2012 as they were decisive at the time for maximising the rating of the transaction. In 2024, following the changes introduced in the rating models of the agencies, the contribution of swaps is no longer so decisive but the level of over-collateralisation (OC) enjoyed by the transaction is more valued/appreciated);
(g) a number of contracts between the issuer/transferor/lender (the Bank) and the SPV structured in line with current practice for this type of transaction, considering also the Bank's role as servicer to the SPV as regards administration, management, collection and recovery of the loans; collection of the transferred loans, cash and payment services and liquidity and payment management.

As required by Italian legislation, an SPV was set up, SPV Covered Bond S.r.l., which subsequently changed its name to DB Covered Bond S.r.l., to issue the guarantee required by the regulation and purchase the transferred assets. It is included in the register as per Article 106 of the Consolidated Banking Act. The SPV was set up with the assistance of Securitisation Services S.p.A. and Finanziaria Internazionale Securitisation Group S.p.A., which also assisted the Bank to structure and manage the programme. The Bank obtained the necessary authorisation from the Bank of Italy to acquire the equity investment and acquired 90% of the SPV from SVM Securitisation Vehicles Management S.r.l. on 13 June 2012.

The main roles, provided for in the programme described above, are as follows:
- Deutsche Bank S.p.A. is the originator of the securitised assets, the funder of the special purpose vehicle and the issuer of the covered bonds; the Bank also acts as servicer;
- DB Covered Bond S.r.l. acts as a guarantor for the investors in the covered bonds to the extent of the assets transferred to it; the special purpose vehicle has been included in the banking group following authorisation from the Bank of Italy and is fully consolidated in accordance with the provisions of the interpretative document SIC 12 issued by the IASB (IFRS 10 from 2014);
- the auditing company BDO Italia S.p.A. acts as Asset Monitor;
- Deutsche Bank AG London Branch was the counterparty, until July 2024, with which the vehicle and the Bank had respectively entered into the asset swap, to protect the market value of the transferred assets, and the back-to-back swap for the management of the cash flows of the mortgages. As previously highlighted, the two asset swaps were not renewed upon expiry.

Transaction structure, accounting treatment and recognition in the financial statements

This section summarises the various stages of the transaction and the accounting entries recognised in the Bank's financial statements under the IAS/IFRS, which impacted its financial position and results of operations.

The structure of the transaction provides or has provided for the following main phases:
a) Deutsche Bank S.p.A. acquires control of a purpose-built vehicle company, DB Covered Bond S.r.l.;
b) Deutsche Bank S.p.A. sells without recourse a set of assets of high credit quality to the vehicle, creating a segregated capital (Pool cut);
c) the originator bank provides a subordinated loan to the vehicle for the purpose of financing the payment of the transfer price of the assets by the vehicle;
d) Deutsche Bank S.p.A. issues covered bonds backed by a first demand guarantee which is issued by the vehicle for the exclusive benefit of the investors holding the covered bonds; this guarantee is a limited recourse on the assets constituting the segregated assets owned by the vehicle (the guarantor);
e) Deutsche Bank S.p.A. subscribes all the covered bonds issued, which are therefore used to guarantee the collateralised loan transactions;

f) the special purpose vehicle, DB Covered Bond S.r.l., had an asset swap agreement in place until July 2024 with a leading banking counterpart (Deutsche Bank AG - London Branch) to hedge the market risk on the portfolio of assets acquired (fair value hedge); under this contract (interest rate swap), the vehicle would pay a rate corresponding to the portfolio's yield and receive a floating rate increased by a spread;

g) Deutsche Bank S.p.A. had a swap agreement in place with DB AG London until July 2024 that mirrors the swap contract negotiated with the vehicle (back-to-back), thus bringing the interest flows of the mortgages back into the Bank's banking book.

The accounting treatment of the transaction as a whole refers, in particular, to the aspects of derecognition of the transferred assets (governed by IFRS 9) and consolidation of the special purpose vehicle (governed until 31 December 2013 by SIC 12, the interpretative document on consolidation of special purpose vehicles, and from 1 January 2014 by the new standard IFRS 10).
More specifically, IFRS 9 requires the derecognition of a financial instrument from the transferor's financial statements to be determined on the basis of the economic substance of the transaction, regardless of the legal form of the transaction.

Accordingly, the transaction is presented in the financial statements as follows:
• the loans transferred continue to be recognised in the Bank's statement of financial position in assets caption 40b "Loans and receivables with customers" (in the sub-item "Loans") as Deutsche Bank S.p.A. continues to hold the risks and rewards of ownership of the legally assigned loans, as non-repayment of the loans would make it impossible for the vehicle to repay the subordinated loan obtained from the Bank, which implies that the credit risk of the transferred assets remains with the Bank itself;

• the loan granted by the Bank to the vehicle is not recognised separately as it is offset against the liability with the vehicle for the initial transfer price. Therefore, the loan is not included in the credit risk valuation as this risk entirely relates to the loans transferred which continue to be recognised in the Bank's separate financial statements;
• the "transferred and not derecognised" loans continue to be recognised as normal based on their amount, amortised cost and fair value;
• the payments collected by the Bank (which also acts as servicer) are transferred to the vehicle's collection account daily and recorded in its accounting records as follows:
- collection of the principal from the borrower is recognised as a decrease in the receivable from the borrower;

- the repayment of the same principal amount to the vehicle is recognised as a counter-entry for the recording of a receivable from the vehicle:
- this receivable will be closed at the time of repayment of the subordinated loan;
- the portion of interest collected by the borrower is recognised as a contra-entry to Item 10 "Interest income: loans and receivables with customers" (interest on loans continues to be recognised on an accrual basis through the charging of accruals);
- the transfer of the same amount of interest to the vehicle is recognized as a counter-entry to the recognition of a receivable from the vehicle itself;
- this receivable is closed upon collection of the active "leg" of the back-to-back swap agreed upon between the Bank and DB AG London;
• the "DB Covered Bond S.r.l." vehicle is controlled by Deutsche Bank S.p.A. (90%); the related investment is recognised in item 70 "Equity investments" and consolidated on a line-by-line basis;
• the covered bonds issued were fully subscribed by the Bank and, therefore, they are not recognised in item 30 "Securities issued" as they are offset against the related asset item (financial assets acquired); the income statement reflects this situation and does not present either the interest expense on the covered bonds or the interest income on the repurchased bonds;
• Deutsche Bank S.p.A.'s use of the repurchased covered bonds as collateral, replacing the securities received on loan from Deutsche Bank AG, for the advance received in February 2012 does not affect the Bank's statement of financial position but only leads to entries in the securities, commitments and risks captions due to the materiality of the own securities not recognised and pledged as guarantee with third parties.

The characteristics of the transaction and the resulting accounting treatment described above meant that the fair value of the back-to-back swap with DB AG London connected with the transaction, where present, was not recognised in the Bank's financial statements as its recognition would be a duplication of the rights and obligations already recognised by continuing to recognise the transferred loans pursuant to paragraph b.3.2.1.4 of IFRS 9. As previously highlighted, the asset swap was not renewed upon expiry in July 2024.

Risks of the covered bond issuance programme and control activities

The programme was structured to comply with the legislative and regulatory requirements described above which allow the issue of covered bonds when the transferor banks and issuers meet certain capital requirements.
The programme structure is subject to rigid legislative requirements given Deutsche Bank S.p.A.'s role as originator, issuer and servicer and requires continuous assessment for each transfer transaction and each issue of covered bonds.

Pursuant to the supervisory provisions, the parent company drew up control procedures for the transaction which were approved by the Management Board and subsequently presented to the Supervisory Board for its approval.

In short, these control procedures are carried out by the parent company's different organisational units as follows:

(i) tests of the quality and integrity of the assets pledged as collateral for covered bonds, Credit Risk Management O.U.;
(ii) monitoring of compliance with the maximum ratio of covered bonds issued to assets pledged as collateral, Treasury O.U.;
(iii) compliance with the transfer limits, Finance O.U., as regards the identification of the band according to the parameters established by the supervisory provisions, and Credit Risk Management O.U. for calculation of the percentage of the value of the assets transferred as a total of the "suitable assets" to be calculated for each transfer transaction;
(iv) methods of integration of the assets sold, Legal O.U., as regards the contractual aspects through which to prevent the use of supplementary methods other than those expressly established by the supervisory provisions, and Treasury O.U., for monitoring the segregated assets of the SPV and compliance with the limit of 15% of supplementary eligible assets;
(v) effectiveness and adequacy of risk hedging through derivative contracts, Treasury O.U.;
(vi) mandatory test (tests to ensure balance between the due dates of the cash flows generated by the transferred assets, which are segregated assets of the SPV, and the due dates of the payments due by the parent company to the bondholders and other transaction costs) and asset coverage test, Treasury O.U.;
(vii) complete check of tests performed: Group Audit unit, using the information and valuations provided by the Asset Monitor.

Pursuant to the supervisory provisions, the Bank has engaged Mazars S.p.A., an independent audit company other than the firm engaged to audit its separate and consolidated financial statements, to act as the legally-required Asset Monitor. Mazars checks the transaction is performed correctly and the guarantee's integrity which must be ensured over the covered bonds' term. Its tests, which include those required by the regulation, are documented in an annual report addressed also to the Bank's Supervisory Board. In accordance with the supervisory provisions, the content and methods used for monitoring are set out in a contract signed with the Bank.

As a result of the novation of the contract for the assignment of Asset Monitor role on 28 July 2015, it should be noted that, as of that date, the activity in question is carried out by the auditing firm BDO Italia S.p.A. (formerly Mazars S.p.A.).

Description of the bond issues

In 2012, the first transfer and subsequent issue of covered bonds took place as part of the programme launched by the Bank:

- the assets were transferred on 22 June 2012;
- the bonds were issued on 27 July 2012 and repurchased by the Bank to be used as guarantee for the collateralised financing transactions (retained transaction).

The covered bonds are plain vanilla bonds with a bullet repayment on their maturity date, also to comply with the requirements about monetary instruments in the Eurosystem. Their issue required authorisation by the Luxembourg market authority and they are rated by Moody's.

Key characteristics of the 2012 transfer:

Asset transfer date	Nature of the securitised assets	Value of assets transferred (Euro)	No. of contracts transferred	Borrowers transferred, business sector
22/06/2012	Residential mortgage loans	3,515,461,543	42,607	100% individuals

and first issue of covered bonds by the bank:

Covered bond issue programme							
ISIN code	Issue nominal amount (Euro)	Repurchase nominal amount (Euro)	Issue price	Bond issue date	Bond maturity date	Coupon interest	External rating at issue
IT0004840598	2,900,000,000	2,900,000,000	100.00	27/07/2012	28/07/2015	Quarterly floating rate, Euribor 3m + 250 b.p.	Moody's: A2

The security issued had the following denomination: "IND DB COVER B 12-15".
This bond was extinguished following early repayment in June 2015, at the same time as the issue of two new securities whose details are provided below.

With regard to segregated assets, it should be noted that during the 2013 financial year the Bank:
a) sold a second portfolio for €664,108,347 (at the 30 June 2013 measurement date). The vehicle funded this acquisition partly by using a €425,000,000 subordinated loan granted to the company by the Bank as per the relevant agreement and partly by using cash inflows of €239,108,347 (principal) arising from its eligible assets that can be used for this purpose. The vehicle concurrently adjusted the initially-agreed hedging derivatives to adjust their calculation notional amount in order to include the amount of the second loan portfolio;

b) repurchased loans with some past due instalments for €4,302,448.

Key characteristics of the 2013 transfer:

Asset transfer date	Nature of the securitised assets	Value of assets transferred (Euro)	No. of contracts transferred	Borrowers transferred, business sector
26/07/2013	Residential mortgage loans	664,108,347	6,376	100% individuals

In the first half of 2014, on 28 February, the Bank repurchased a total of €2,955,808 against 39 mortgage loans, some with overdue payments.

A second repurchase was carried out at the end of August against an amount of €1,944,469 for 21 mortgage contracts which, at that date, had at least three unpaid instalments.

On 24 November 2014 a third transfer of a portfolio of mortgage contracts with the following characteristics was carried out:

Asset transfer date	Nature of the securitised assets	Value of assets transferred (Euro)	No. of contracts transferred	Borrowers transferred, business sector
24/11/2014	Residential mortgage loans	900,154,766	7,734	100% individuals

Similar to the second transfer, this third transfer of assets to the segregated portfolio was also partially financed through the granting of a subordinated loan by the Bank of €540 million, while the residual amount of €360.2 million was settled using liquid funds from the collections of the principal amounts of mortgages recognised under the vehicle company's assets. The payment of this amount was part of the normal payment process, known as "waterfall", relative to the fourth quarter of 2014 and was executed in the month of January 2015.

As previously noted, in June 2015, the Bank had issued two new covered bonds for a total nominal amount of €3.5 billion, which had replaced the previous issue of €2.9 billion.
The characteristics of the two securities were as follows:

Covered bond issue programme									
ISIN code	Issue nominal amount (Euro)	Repurchase nominal amount (Euro)	Issue price	Bond issue date	Bond maturity date	Coupon interest	External rating at issue	External rating, at 31 December 2021	Carrying amount at 31 December 2021 (Euro)
IT0005115024 (*)	3,000,000,000	3,000,000,000	100.00	09/06/2015	28/07/2022	Quarterly floating rate, Euribor 3m + 18 b.p.	Moody's: Aa2	Moody's: Aa3	-
IT0005115123 (**)	500,000,000	500,000,000	100.00	09/06/2015	28/07/2021	Quarterly floating rate, Euribor 3m + 15 b.p.	Moody's: Aa2	Moody's: Aa3	-

(*) The securities with ISIN code IT0005115024 were redeemed and cancelled early on 27 May 2022.
(**) Following the natural extinction on 28 July 2021 there was no new issue in 2021.

On 24 November 2015, a fourth transfer took place of a portfolio of mortgage contracts with the following characteristics:

Asset transfer date	Nature of the securitised assets	Value of assets transferred (Euro)	No. of contracts transferred	Borrowers transferred, business sector
24/11/2015	Residential mortgage loans	991,509,153	8,691	100% individuals

During 2015, the Bank carried out three repurchases of small mortgage portfolios with at least three unpaid instalments or with a loan-to-value ratio greater than 100%:

- on 20 February, the first repurchase of 37 positions for €3,281,002 (of which 36 with more than three past-due instalments and one with an LTV higher than 100%);
- second repurchase carried out on 25 June 2015 of 34 positions (32 past-due and 2 with excess LTV) for a total of €2,597,085;
- third repurchase of 72 positions, with at least three unpaid instalments, carried out on 22 December 2015 with an outlay by the Bank of €6,027,456.

The repurchases carried out in 2016 were as follows:
- first repurchase of 57 positions, of which 55 with at least three unpaid instalments and 2 with LTV greater than 100%, carried out on 24 June 2016 for €4,144,394;

- second repurchase of 48 positions, with at least three unpaid instalments, carried out on 20 December 2016 for € 3,738,325.35.

On 24 November 2016, the fifth transfer of 10,430 mortgage contracts was carried out for €1,095,361,125.66; similarly to the three previous transfers in the 2013-2015 three-year period, also for the fourth transfer of assets to the segregated portfolio, the purchase was partly financed through the increase of the subordinated loan by the Bank, for €680 million, while the remaining amount of €415 million was settled through the use of the available liquidity from the capital repayment of the loans recorded under the assets of the special purpose vehicle. The payment of this amount was included in the normal payment process, known as "waterfall", relative to the fourth quarter of 2016 and was executed in the month of January 2017.

Asset transfer date	Nature of the securitised assets	Value of assets transferred (Euro)	No. of contracts transferred	Borrowers transferred, business sector
24/11/2016	Residential mortgage loans	1,095,361,126	10,430	100% individuals

The repurchases carried out in 2017 were as follows:
- on 22 June, 40 positions were repurchased totalling €3,035,871.86 (of which 39 had more than 3 unpaid instalments and 1 with an LTV greater than 100%);

- second repurchase of 94 positions carried out on 23 November 2017 with an outlay by the Bank of €8,782,170.36.

During the 2017 financial year, there were no transfers of mortgage loans to the segregated assets of the vehicle.

The transactions that took place in 2018 can be grouped as follows:
1) two repurchases of small portfolios relating to loan positions with at least three unpaid instalments or with a loan-to-value ratio greater than 100%;
2) three transactions relating to the subordinated loan received from Deutsche Bank S.p.A.;
3) the sixth transfer of a portfolio of mortgages to carry out the so-called replenishment of the vehicle's assets pledged to guarantee the bank bonds issued.

The details of the above transactions, in chronological order, are as follows:
- sixth transfer of 7,359 mortgage loans on 22 March 2018 with a countervalue of €700,127,287.63; similarly to the five previous transfers in the period 2013-2017, also for the sixth transfer of assets to the segregated portfolio the purchase was financed in part through the increase of the subordinated loan by Deutsche Bank S.p.A., for €546.1 million, while the remaining amount of €154 million was settled by using the available liquidity from the collection of the principal amount of the loans included in the assets of the vehicle company. The payment of this amount was included in the normal payment process, known as "waterfall", relative to the first quarter of 2018 and was executed on 26 April 2018;

Asset transfer date	Nature of the securitised assets	Value of assets transferred (Euro)	No. of contracts transferred	Borrowers transferred, business sector
22/03/2018	Residential mortgage loans	700,127,287	7,359	100% individuals

- increase in the subordinated loan for €546,100,000, amount disbursed on 22 March 2018 at the time of the transfer transaction;
- on 24 May a first repurchase of 26 positions for €1,964,864.51, all the positions had more than three past-due instalments;
- on 26 July 2018, an initial partial repayment of the subordinated loan for €321,040,680.37 by using the excess liquidity held by the vehicle;

- on 26 October 2018, a second partial repayment of the subordinated loan for €163,280,540.38 by using the excess liquidity held by the vehicle; after the two partial repayments, the balance of the subordinated loan was €4,178,003,877.39;
- on 23 November a second repurchase of 29 positions for €2,419,748.41, of which 23 positions with more than three past-due instalments.

The transactions that took place in 2019 can be grouped as follows:
1) two repurchases of small portfolios relating to loan positions with at least three unpaid instalments or with a loan-to-value ratio greater than 100%;
2) four transactions relating to the subordinated loan received from Deutsche Bank S.p.A.;
3) the seventh and eighth transfer of two portfolios of mortgages to carry out the so-called replenishment of the vehicle's assets pledged to guarantee the bank bonds issued.

The details of these transactions, in chronological order, are as follows:
- on 28 January 2019, partial repayment of the subordinated loan for €120 million by using the excess liquidity held by the vehicle;

- on 23 May, first repurchase of 37 positions for an equivalent value of €2,888,738.58, the positions had in 34 cases more than three overdue instalments and in the remaining three cases inconsistencies in the guarantees associated with the transferred loans;

- seventh transfer of 6,268 mortgage loans on 24 September 2019 with a countervalue of €606,055,419.74; similarly to the six previous transfers in the period 2013-2018, also for the seventh transfer of assets to the segregated portfolio, the purchase was partly financed through the increase of the subordinated loan by Deutsche Bank S.p.A., in the amount of €235 million, while the remaining amount of €371.1 million was settled through the use of the available liquidity from the capital collections of the loans recorded in the assets of the special purpose vehicle. The payment of this amount was included in the normal payment process, known as "waterfall", relative to the third quarter of 2019 and was executed on 25 October 2019;

Asset transfer date	Nature of the securitised assets	Value of assets transferred (Euro)	No. of contracts transferred	Borrowers transferred, business sector
24/09/2019	Residential mortgage loans	606,055,420	6,268	100% individuals

- increase in the subordinated loan in the amount of €235 million, which was disbursed on 24 September 2019 at the time of the transfer transaction;
- on 24 October, a second repurchase of 32 positions for a countervalue of €1,922,039.07, all of which had more than three instalments overdue;
- on 28 October 2019, partial repayment of the subordinated loan for €118,098,161.58 million by using the excess liquidity held by the vehicle;

- eighth transfer of 5,413 mortgage loans on 22 November 2019 with a countervalue of €579,726,738; the purchase had been partially financed through the increase in the subordinated loan by Deutsche Bank S.p.A, for the amount corresponding to the price of the mortgages purchased;

Asset transfer date	Nature of the securitised assets	Value of assets transferred (Euro)	No. of contracts transferred	Borrowers transferred, business sector
22/11/2019	Residential mortgage loans	579,726,738	5,413	100% individuals

- increase in the subordinated loan for €579,726,738.18, amount disbursed on 22 November 2019.

The transactions that took place in 2020 can be grouped as follows:
1) one repurchase of small portfolios relating to loan positions with at least two unpaid instalments or with a loan-to-value ratio greater than 100%;
2) three transactions relating to the subordinated loan received from Deutsche Bank S.p.A.;
3) no further transfers were carried out in 2020 after the last two were completed in 2019.

The details of these transactions, in chronological order, are as follows:

on 27 January 2020, the first partial repayment of the subordinated loan for €197 million by using the excess liquidity held by the vehicle;
on 23 April 2020 a repurchase of 150 positions for an equivalent value of €12,379,442.65, the positions had in 124 cases at least two overdue instalments and in the remaining 26 cases inconsistencies in the guarantees associated with the transferred loans;

on 27 April 2020, the second partial repayment of the subordinated loan for €221 million by using the excess liquidity held by the vehicle;

on 27 July 2020, the third partial repayment of the subordinated loan for €173 million by using the excess liquidity held by the vehicle.

The transactions that took place in 2021 can be grouped as follows:
1) a repurchase of small portfolios on 23 June 2021 for €6,876,319 relating to loan positions with at least two outstanding instalments or a loan-to-value ratio greater than 100%;
2) no transaction relating to the subordinated loan received from Deutsche Bank S.p.A.;
3) no further transfers were carried out in 2021 after the last two were completed in 2019.

The transactions that took place in 2022 can be grouped as follows:
1) three repurchases of small portfolios relating to loan positions with at least two unpaid instalments or with a loan-to-value ratio greater than 100%;
2) two repayment transactions pertaining to the subordinated loan received from Deutsche Bank S.p.A.;
3) one transfer transaction (the last two were finalised during 2019);
4) three transactions pertaining to the covered bonds issued by the parent company, for which the vehicle acts as guarantor.

The details of these transactions, in chronological order, are as follows:

- on 26 January 2022, a partial repayment of the subordinated loan for an amount equal to €300,000,000 was requested and obtained;
- on 26 January 2022, a repurchase of positions for a value of €3,484,873 was carried out;
- on 23 February 2022, a portfolio was transferred for a consideration of €690,927,777.14;
- on 27 May 2022, the covered bond series 1-2015 issued on 5 June 2015 (ISIN IT0005115024) was repaid in advance for an amount of €3,000,000,000;
- on 3 June 2022, covered bond series 3-2022 (ISIN IT0005496788) was issued for an amount of €2,000,000,000;
- on 3 June 2022, covered bond series 3-2022 (ISIN IT0005496762) was issued for an amount of €700,000,000;
- on 21 June 2022, a repurchase of positions for a value of €2,908,127 was carried out;
- on 26 October 2022, a partial repayment of the subordinated loan for an amount equal to €286,642,111 was requested and obtained;
- on 23 November 2022, a repurchase of positions for an equivalent value of €4,533,000 was carried out.

As previously noted, in June 2022, the Bank issued two new covered bonds for a total nominal amount of €2.7 billion, which replaced the previous issue of €3.0 billion, redeemed early on 27 May 2022.
The characteristics of the two securities can be summarised as follows:

Covered bond issue programme									
ISIN code	Issue nominal amount (Euro)	Repurchase nominal amount (Euro)	Issue price	Bond issue date	Bond maturity date	Coupon interest	External rating at issue	External rating, at 31 December 2024	Carrying amount at 31 December 2024 (Euro)
IT0005496788	2,000,000,000	2,000,000,000	100.00	03/06/2022	28/07/2027	Quarterly floating rate, Euribor 3m + 30 b.p.	Moody's: Aa2	Moody's: Aa3	-
IT0005496762	700,000,000	700,000,000	100.00	03/06/2022	28/07/2025	Quarterly floating rate, Euribor 3m + 24 b.p.	Moody's: Aa2	Moody's: Aa3	-

The transactions that took place in 2023 can be grouped as follows:
1) two repurchases of small portfolios relating to loan positions with at least two unpaid instalments or with a loan-to-value ratio greater than 100%;
2) one repayment transaction relating to the subordinated loan received from Deutsche Bank S.p.A.;
3) one transfer transaction.

The details of these transactions, in chronological order, are as follows:
- on 20 April 2023, a repurchase of positions for an equivalent value of €4,338,414 was carried out;
- on 24 May 2023, a portfolio was transferred for a consideration of €205,527,402;
- on 26 July 2023, a partial repayment of the subordinated loan for an amount equal to €112,838,206 was requested and obtained;
- on 23 November 2023, a repurchase of positions for an equivalent value of €3,028,277 was carried out.

The transactions carried out 2024 can be grouped as follows:
1) two repurchases of small portfolios relating to loan positions with at least two unpaid instalments or with a loan-to-value ratio greater than 100%;
2) one transfer transaction.

The details of these transactions, in chronological order, are as follows:

- on 23 May 2024, a repurchase of positions for a value of €3,427,452 was carried out;
- on 23 October 2024, a repurchase of positions for an equivalent value of €1,379,701 was carried out;
- on 19 December 2024, a portfolio was transferred for a consideration of €192,706,903.

It should be noted that the asset swap agreement was not renewed upon expiry in July 2024.
The asset swap in question was implemented in 2012 as it was crucial at the time for maximising the transaction's rating.
In 2024, following changes introduced in the agencies' rating models, the contribution of the swap is no longer as crucial, but the level of over-collateralisation (OC) enjoyed by the transaction is more highly valued/appreciated.

Total receivables sold and not derecognised amounted to €2,841 million at 31 December 2024 (net of the risk provision), while at 31 December 2023 the balance was €3,063 million.

The key figures of the SPV DB Covered Bond S.r.l. and inferable from the statement of financial position of the segregated assets are as follows:

amounts in millions of euros	31 12 2024	31 12 2023	31 12 2022	31 12 2021
a) loans and receivables	2,841	3,063	3,301	3,068
b) cash and cash equivalents	789	378	248	1,063
c) other assets	29	37	39	45
Total assets	**3,659**	**3,478**	**3,588**	**4,176**
Subordinated loan (*)	3,464	3,464	3,577	4,164
Other liabilities	195	14	11	12
Total liabilities	**3,659**	**3,478**	**3,588**	**4,176**

The key income statement figures are as follows:

amounts in millions of euros	2024	2023	2022	2021
interest income on loans	92.1	91.1	65.5	60.0
net income (cost) of asset swap	49.7	83.3	29.6	15.0
interest income on current account	19.9	10.6	0.8	-
interest expense on subordinated loan (*)	(178.8)	(171.6)	(76.4)	(82.1)
costs charged by servicer	(3.0)	(3.3)	(3.5)	(3.4)
other costs	(1.5)	1.3	(2.8)	(4.1)
Net result	(21.6)	11.4	13.2	(14.6)

(*) As noted earlier, this loan is not recognised in the originator's separate financial statements or the DB S.p.A. Group's consolidated financial statements as per IFRS 9. Similar behaviour is applied to inherent interests.

E. Prudential consolidation - Credit risk measurement models

The Bank does not make use of internal valuation models to measure exposure to credit risk.

1.2 - MARKET RISKS

1.2.1 INTEREST RATE AND PRICE RISKS - REGULATORY TRADING BOOK

At 31 December 2024, there are no positions classified in the regulatory trading book.

1.2.2 INTEREST RATE AND PRICE RISKS - BANKING BOOK

QUALITATIVE DISCLOSURE

A. General aspects, management and measurement of interest rate and price risks

The market risk originating from the banking book is mainly attributable to the lending activity carried out by the IPB and Corporate Bank divisions.

Interest rate risk is monitored on a daily/monthly basis using the following metrics:
• Change in economic value of equity (Δ EVE) with respect to parallel and non-parallel shocks to the term structure of interest rates, defined according to the stress scenarios described in the EBA Guidelines. This metric is estimated on a monthly basis;
• Change in net interest income (Δ NII) with respect to parallel and non-parallel shocks to the term structure of interest rates, defined according to the stress scenarios in the EBA Guidelines, as well as considering an instantaneous and parallel change of +/- 1 percentage point. This metric is estimated on a monthly basis;
• Value at Risk (VaR): this metric is estimated on a daily basis and is based on the historical simulation method, 99% confidence interval and 1 day time horizon;
• Sensitivity measures (PV01): this metric measures the risk attributable to the change in the value of a financial position as a result of a change in a predefined quantity of valuation parameters, e.g. an increase in the interest rate curve by one basis point. This metric is estimated on a daily basis;
• Greche (Vega): this metric allows for more accurate risk profiling, especially in the presence of optional components, such as, for example, the ability of customers to repay early fixed-rate mortgages without penalty, in accordance with the Bersani Law. This metric is estimated on a daily basis.
Each of the above metrics is subject to specific limits/thresholds for intervention, as described in the Bank's Risk Appetite Framework (RAF), approved by the Risk Committee and by the Supervisory Board of Deutsche Bank S.p.A.
The Treasury Organizational Unit manages the interest rate risk, in order to comply with the aforementioned thresholds/limits, in accordance with the provisions of internal policies and procedures.
The Risk Committee is periodically informed about the trend in risk metrics and compliance with the defined limits/thresholds. The Assets and Liabilities Committee is entrusted with the task of supervising and defining guidelines for the management of the Bank's interest rate risk exposure, ensuring compliance with the aforementioned thresholds/limits through the instruments provided for in the operating procedures.
For the purposes of identifying, measuring and monitoring the interest rate risk, expressed according to the metrics indicated above, Deutsche Bank S.p.A. uses Group systems, processes and procedures, resorting to the use of internal models, developed centrally at the competent structures of the ultimate parent company, calibrated, in the case of the so-called behavioural models, taking into account the peculiarities and specificities of the underlying local portfolios.

At 31 December 2024, financial assets mandatorily measured at fair value through profit or loss are represented exclusively by equity securities, for €39,800 thousand, related to interests of less than 20% held in listed and unlisted companies.

QUANTITATIVE DISCLOSURE

1. Banking book: breakdown by residual maturity (by repricing date) of financial assets and liabilities

Type/Residual maturity	On demand	Up to 3 months	From over 3 months up to 6 months	From over 6 months up to 1 year	From over 1 year up to 5 years	From 5 to 10 years	Over 10 years	Open term	TOTAL
1. On-statement of financial position assets	9,249,298	5,132,799	2,063,603	1,128,246	6,528,463	3,489,483	1,411,789	-	**29,003,681**
1.1 Debt instruments	-	-	-	-	-	-	-	-	**-**
- with early repayment option	-	-	-	-	-	-	-	-	**-**
- other	-	-	-	-	-	-	-	-	**-**
1.2 Financing to banks	4,791,758	362,518	955,314	300	969,355	1,746,990	386,996	-	**9,213,231**
1.3 Financing to customers	4,457,540	4,770,281	1,108,289	1,127,946	5,559,108	1,742,493	1,024,793	-	**19,790,450**
- current account	1,333,398	5,916	-	-	3,118	-	-	-	**1,342,432**
- other financing	3,124,142	4,764,365	1,108,289	1,127,946	5,555,990	1,742,493	1,024,793	-	**18,448,018**
- with early repayment option	2,896,131	3,811,202	1,041,750	1,106,080	5,500,709	1,739,451	1,024,603	-	**17,119,926**
- other	228,011	953,163	66,539	21,866	55,281	3,042	190	-	**1,328,092**
2. On-statement of financial position liabilities	14,083,921	1,464,270	252,119	670,412	3,633,694	1,121,410	5,505,218	-	**26,731,044**
2.1 Due to customers	13,772,761	757,114	180,178	83,407	229	-	-	-	**14,793,689**
- current account	13,192,311	756,663	180,178	83,407	229	-	-	-	**14,212,788**
- other payables	580,450	451	-	-	-	-	-	-	**580,901**
- with early repayment option	-	-	-	-	-	-	-	-	**-**
- other	580,450	451	-	-	-	-	-	-	**580,901**
2.2 Due to banks	310,560	591,776	63,956	586,005	3,632,802	1,121,410	5,505,218	-	**11,811,727**
- current account	240,983	-	-	-	-	-	-	-	**240,983**
- other payables	69,577	591,776	63,956	586,005	3,632,802	1,121,410	5,505,218	-	**11,570,744**
2.3 Debt instruments	600	115,380	7,985	1,000	663	-	-	-	**125,628**
- with early repayment option	-	-	-	-	-	-	-	-	**-**
- other	600	115,380	7,985	1,000	663	-	-	-	**125,628**
2.4 Other liabilities	-	-	-	-	-	-	-	-	**-**
- with early repayment option	-	-	-	-	-	-	-	-	**-**
- other	-	-	-	-	-	-	-	-	**-**
3. Financial derivatives	23,936	4,363,719	1,111,392	503,479	1,788,365	993,063	109,512	-	**8,893,466**
3.1 With underlying security									
- Options									
+ long positions	-	-	-	-	-	-	-	-	**-**
+ short positions	-	-	-	-	-	-	-	-	**-**
- Other derivatives									
+ long positions	-	-	-	-	-	-	-	-	**-**
+ short positions	-	-	-	-	-	-	-	-	**-**
3.2 Without underlying security									
- Options									
+ long positions	-	1	1	2	6	3	1	-	**14**
+ short positions	-	1	1	2	6	3	1	-	**14**
- Other derivatives									
+ long positions	11,930	2,185,143	566,928	267,041	921,733	453,714	40,232	-	**4,446,721**
+ short positions	12,006	2,178,574	544,462	236,434	866,620	539,343	69,278	-	**4,446,717**
4. Other off-statement of financial position transactions	691,572	-	-	-	-	-	-	-	**691,572**
+ long positions	345,786	-	-	-	-	-	-	-	**345,786**
+ short positions	345,786	-	-	-	-	-	-	-	**345,786**

As permitted by current regulations, the classification by residual maturity of assets, liabilities, financial derivatives and other off-statement of financial position transactions denominated in foreign currencies is not disclosed as they do not represent a material portion of the same aggregates denominated in euro.

2. Banking book: internal models and other methodologies for sensitivity analyses

For the purpose of measuring the Interest Rate Risk in Banking Book (IRRBB), Deutsche Bank S.p.A. uses internal models, developed centrally at the competent structures of the ultimate parent company, subject to a regular validation process and continuous review in accordance with the provisions of the Group Policies on Model Risk Management. The results of these models are shared with the local Finance and Treasury structures, the Group's first line of defence, and CRO, as the second line of defence.

Among the centrally developed models, in addition to those aimed at determining the change in Net Interest Income (Δ NII) and the economic value of equity (Δ EVE), with respect to parallel and non-parallel shocks to the term structure of interest rates, there are behavioural models relating to the following aspects:
- modelling of demand items (Non-Maturity Deposits Modelling);
- the early repayment of fixed-rate loans (Prepayment Model).

In particular, the Prepayment model used to manage interest rate risk on fixed-rate mortgages is structured according to the following components, aimed at considering the different nature of early repayments:
- Interest Rate Dependent Component, aimed at estimating the extent of future early repayments caused by changes in the interest rate curve;
- Interest Rate Independent Component, aimed at estimating the extent of future early repayments caused by external factors independent of the interest rate curve;
- Usage Overlay, aimed at capturing the phenomenon of customers exercising the implicit contractual option existing on fixed-rate loans (early repayment).

The calibration related to the aforementioned behaviour models is carried out considering the nature and characteristics of the underlying products.
The assumptions used, as well as the related calibrations, are subject to regular review and, if necessary, updated.

The Bank has also formalised the limits/thresholds within the Risk Appetite Framework approved by the Supervisory Board (after review by the other internal structures in charge, in particular the Risk Committee). If the thresholds in question (limits/thresholds) are exceeded, immediate notification is provided to the managers of the divisions concerned, in order to promptly identify the causes and possible recovery measures. The table below shows the specific and average risk values at 31 December 2024.

IRRBB metric	***Limit type***	***Limit 31/12/2024***	***Monitoring frequency***	***Average values 2024***	***Values at 31/12/2024***	***Values at 31/12/2023***
TMP PV01	Threshold	| €200 K |	Daily	€-19 K	€1 K	€82 K
ALM PV01	Threshold	| €900 K |	Daily	€309 K	€71 K	€237 K
VaR	Threshold	€2.0 mln	Daily	€0.8 mln	€0.8 mln	€0.8 mln
ΔEVE	Limit	€250 mln	Monthly	€-111 mln	€-48 mln	€-92 mln
ΔNII	Threshold	€80 mln	Monthly	€-35 mln	€-69 mln	€-30 mln
Vega	Threshold	| €9.0 mln |	Daily	€-3.2 mln	€-1.7 mln	€-4.5 mln

The value of ΔEVE shown above refers to the change in economic value with respect to parallel and non-parallel shocks to the term structure of interest rates, defined according to the stress scenarios provided by the EBA Guidelines.

The value of ΔNII reported above refers to the maximum reduction of Net Interest Income in a standard scenario defined by EBA +/- 100 bp compared with a base scenario.

For the purposes of measuring the aforementioned metrics (ΔEVE / ΔNI), Deutsche Bank S.p.A. uses models and processes developed centrally at the competent structures of the parent company.

The year in question recorded a refinement of the modelling suite in use for the quantification of interest rate risk as well as an optimisation of the risk exposure detection function.

1.2.3 CURRENCY RISK

QUALITATIVE DISCLOSURE

A. General aspects, management and measurement of currency risk

There are no significant currency risk positions since currency transactions (FX Spot, FX Forward, Currency Swaps, Commodities) with customer counterparties are settled with the ultimate parent company.

B. Currency hedges

The main forex activities relate to the hedging of transactions agreed with customers. They are fully hedged at the end of the day through back-to-back deals with the ultimate parent company, both for spot and forward positions.

Trading in OTC derivatives in the forex segment is solely performed on behalf of third parties with corporate customers. Structured, high value added products are increasingly used, often indexed to parameters other than exchange rates (e.g. interest rates of different foreign currencies).

QUANTITATIVE DISCLOSURE

1. Breakdown of assets, liabilities and derivatives by currency

Items	Currency						
	USD	**GBP**	**SEK**	**CNY**	**CHF**	**Other currencies**	**Total**
A. Financial assets	**515,973**	**67,153**	**2,609**	**1,853**	**10,824**	**4,282**	**602,694**
A.1 Debt instruments	-	-	-	-	-	-	-
A.2 Equity securities	6,255	-	-	-	-	-	6,255
A.3 Financing to banks	275,529	67,153	2,504	1,853	10,599	4,282	361,920
A.4 Financing to customers	234,189	-	105	-	225	-	234,519
A.5 Other financial assets	-	-	-	-	-	-	-
B. Other assets	**1,866**	**1,268**	**6**	**-**	**585**	**1,528**	**5,253**
C. Financial liabilities	**485,840**	**68,299**	**2,608**	**1,853**	**9,972**	**4,656**	**573,228**
C.1 Due to banks	65	2	-	-	3	1,427	1,497
C.2 Due to customers	485,775	68,297	2,608	1,853	9,969	3,229	571,731
C.3 Debt instruments	-	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-	-
D. Other liabilities	**33,967**	**155**	**-**	**-**	**-**	**-**	**34,122**
E. Financial derivatives	**(696)**	**4**	**(8)**	**-**	**(153)**	**8,960**	**8,107**
- Options	-	-	-	-	-	-	-
+ Long positions	1	-	-	-	-	-	1
+ Short positions	(1)	-	-	-	-	-	(1)
- Other derivatives	(696)	4	(8)	-	(153)	8,960	8,107
+ Long positions	205,565	22,630	31,650	26,199	4,744	44,943	335,731
+ Short positions	(206,261)	(22,626)	(31,658)	(26,199)	(4,897)	(35,983)	(327,624)
Total assets	**723,405**	**91,051**	**34,265**	**28,052**	**16,153**	**50,753**	**943,679**
Total liabilities	**726,069**	**91,080**	**34,266**	**28,052**	**14,869**	**40,639**	**934,975**
Difference (+/-)	**(2,664)**	**(29)**	**(1)**	**-**	**1,284**	**10,114**	**8,704**

2. Internal models and other methodologies for sensitivity analyses

The Forex sector does not calculate VaR as all positions are settled with the ultimate parent company on a daily basis.

1.3 DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

1.3.1 DERIVATIVE TRADING INSTRUMENTS

A. FINANCIAL DERIVATIVES

A.1 Trading financial derivatives: notional values at the end of the period

Underlying assets/Derivatives	Total 2024				Total 2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt instruments and interest rates	-	-	**3,703,400**	-	-	-	**3,918,226**	-
a) Options	-	-	33,825	-	-	-	34,725	-
b) Swaps	-	-	3,669,575	-	-	-	3,883,501	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and share indexes	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	**666,271**	-	-	-	**610,849**	-
a) Options	-	-	10,205	-	-	-	5,158	-
b) Swaps	-	-	37,755	-	-	-	23,485	-
c) Forwards	-	-	618,311	-	-	-	582,206	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	-	-	**4,369,671**	-	-	-	**4,529,075**	-

A.2 Trading financial derivatives: gross positive and negative fair value - breakdown by products

Derivative types	Total 2024				Total 2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Positive fair value								
a) Options	-	-	2,306	-	-	-	1,732	-
b) Interest rate swaps	-	-	55,460	-	-	-	87,251	-
c) Cross currency swaps	-	-	734	-	-	-	385	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	8,562	-	-	-	6,449	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	-	**67,062**	-	-	-	**95,817**	-
2. Negative fair value								
a) Options	-	-	2,306	-	-	-	1,732	-
b) Interest rate swaps	-	-	57,718	-	-	-	87,546	-
c) Cross currency swaps	-	-	734	-	-	-	385	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	8,595	-	-	-	6,450	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	-	**69,353**	-	-	-	**96,113**	-

A.3 OTC trading financial derivatives: notional amounts, gross positive and negative fair values by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other
Contracts not included in netting agreements				
1. Debt instruments and interest rates				
− notional amount	X	2,005,248	34,527	1,663,625
− positive fair value	X	44,971	426	11,240
− negative fair value	X	(16,435)	(1,424)	(41,036)
2. Equity securities and share indexes				
− notional amount	X	-	-	-
− positive fair value	X	-	-	-
− negative fair value	X	-	-	-
3. Currencies and gold				
− notional amount	X	338,260	9,859	318,152
− positive fair value	X	3,297	285	6,844
− negative fair value	X	(7,134)	-	(3,324)
4. Commodities				
− notional amount	X	-	-	-
− positive fair value	X	-	-	-
− negative fair value	X	-	-	-
5. Other				
− notional amount	X	-	-	-
− positive fair value	X	-	-	-
− negative fair value	X	-	-	-
Contracts included in netting agreements				
1. Debt instruments and interest rates				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-
2. Equity securities and share indexes				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-
3. Currencies and gold				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-
4. Commodities				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-
5. Other				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-

A.4 Residual life of OTC trading financial derivatives: notional values

Underlying/Residual life	Up to 1 year	From over 1 year up to 5 years	Over 5 years	**Total**
A.1 Financial derivatives on debt instruments and interest rates	986,012	1,614,072	1,103,317	3,703,401
A.2 Financial derivatives on equity securities and share indexes	-	-	-	-
A.3 Financial derivatives on currencies and gold	621,208	45,063	-	666,271
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 2024	**1,607,220**	**1,659,135**	**1,103,317**	**4,369,672**
Total 2023	**1,481,867**	**1,917,239**	**1,129,971**	**4,529,077**

B. CREDIT DERIVATIVES

At 31 December 2024, the companies of the Group did not hold any positions in credit derivatives.

1.3.2 HEDGE ACCOUNTING

A. FINANCIAL DERIVATIVES

QUALITATIVE DISCLOSURE

Preamble

Deutsche Bank Group companies make use of the possibility, which was provided for when IFRS 9 was introduced, to continue to fully apply the provisions of the previous accounting standard IAS 39 on hedge accounting (in the carved-out version endorsed by the European Commission) for all types of hedges (both micro and macro hedges).
The Group has confirmed this choice also for the year 2024.

A. Fair value hedges

At the date of preparation of these financial statements (and during the previous financial years), Group companies had the following types of hedges in place: - micro fair value hedges for fixed-rate bond issues (ended during 2017);
- micro fair value hedge of fixed-rate loans with banks (ended in December 2022);
- micro fair value hedge of long-term fixed-rate deposit liabilities with banks.

These are micro-hedging with a 1:1 ratio between the hedged asset or liability and the related hedging derivative.
In all the above cases, the Group has used fixed versus floating interest rate swaps. Only instruments involving a counterparty external to the Group can be designated as hedging instruments.

The aforementioned hedges were put in place in order to neutralise the interest rate risk arising from variable rate deposits or loans against deposits with banks.

In all cases, the so-called "critical terms" of the hedged instruments and related derivatives coincide; nominal and notional values, fixed percentage rates received and paid, dates of payment of interest and differentials, final maturities, absence of pre-payments.

B. Cash flow hedging activities

They hedge the exposure to variability in future cash flows attributable to particular risks associated with a recognised asset or liability.

At 31 December 2024, there were no cash flow hedges.

C. Hedges of foreign investments

This did not apply in both reporting periods.

D. Hedging instruments

The hedging transactions carried out by the parent company refer solely to the interest rate risk on fixed rate financial instruments. Only plain vanilla interest rate swap derivative contracts are used, given the relative simplicity of the hedged instrument.

E. Items covered

Deposit transactions, both active and passive, with banks of the Deutsche Bank Group are subject to fair value hedging.

F. Uncertainty deriving from the reform of interest rate benchmarks

Below is the disclosure required by paragraph 24 H of IFRS 7 regarding the effects of the IBOR reform on the application of hedge accounting.

The main opinion to be made regarding the application of the IASB Phase 1 benchmark reform concerned the development of Euribor. The Deutsche Bank Group expects the Euribor to continue to exist in its current form as a reference rate for the foreseeable future.
For these reasons, the Group generally does not believe that its hedge accounting, with Euribor as the hedged risk, is directly affected by the reform of the interest rate benchmarks at 31 December 2024.

This impact is even more reduced in consideration of the fact that, at 31 December 2024, Deutsche Bank S.p.A. has only hedging relationships of the fair value hedge type in place, which therefore have as their hedged item a fixed rate and not a variable market rate.

QUANTITATIVE DISCLOSURE

A. HEDGING FINANCIAL DERIVATIVES

A.1 Hedging financial derivatives: notional values at the end of the period

Underlying assets/Derivatives	Total 2024				Total 2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt instruments and interest rates	**-**	**-**	**50,000**	**-**	**-**	**-**	**50,000**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	50,000	-	-	-	50,000	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and share indexes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**50,000**	**-**	**-**	**-**	**50,000**	**-**

A.2 Hedging financial derivatives: gross positive and negative fair value - breakdown by product

Derivative types	Positive and negative fair value								Change in value used to recognise hedge ineffectiveness (*)	
	Total 2024				Total 2023				Total 2024	Total 2023
	Over the counter			Organised markets	Over the counter			Organised markets		
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
1. Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	4,483	-	-	-	5,007	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**4,483**	**-**	**-**	**-**	**5,007**	**-**	**-**	**-**
2. Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(*) = data not required for companies that apply hedge accounting rules pursuant to IAS 39.

A.3 OTC hedging financial derivatives: notional amounts, gross positive and negative fair value by counterparty

Underlying assets	Central counterparties	Banks	Other financial companies	Other
Contracts not included in netting agreements				
1. Debt instruments and interest rates				
− notional amount	X	50,000	-	-
− positive fair value	X	4,483	-	-
− negative fair value	X	-	-	-
2. Equity securities and share indexes				
− notional amount	X	-	-	-
− positive fair value	X	-	-	-
− negative fair value	X	-	-	-
3. Currencies and gold				
− notional amount	X	-	-	-
− positive fair value	X	-	-	-
− negative fair value	X	-	-	-
4. Commodities				
− notional amount	X	-	-	-
− positive fair value	X	-	-	-
− negative fair value	X	-	-	-
5. Other				
− notional amount	X	-	-	-
− positive fair value	X	-	-	-
− negative fair value	X	-	-	-
Contracts included in netting agreements				
1. Debt instruments and interest rates				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-
2. Equity securities and share indexes				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-
3. Currencies and gold				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-
4. Commodities				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-
5. Other				
− notional amount	-	-	-	-
− positive fair value	-	-	-	-
− negative fair value	-	-	-	-

A.4 Residual life of OTC hedging financial derivatives: notional values				
Underlying/Residual life	Up to 1 year	From over 1 year up to 5 years	Over 5 years	**Total**
A.1 Financial derivatives on debt instruments and interest rates	**-**	**50,000**	-	**50,000**
A.2 Financial derivatives on equity securities and share indexes	-	-	-	-
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 2024	**-**	**50,000**	**-**	**50,000**
Total 2023	**-**	**50,000**	**-**	**50,000**

B. HEDGING CREDIT DERIVATIVES

This did not apply in 2024 nor in 2023.

C. NON-DERIVATIVE HEDGING INSTRUMENTS

Table not completed as only required for entities applying hedge accounting under IFRS 9.

D. HEDGED INSTRUMENTS

Table not completed as only required for entities applying hedge accounting under IFRS 9.

E. EFFECTS OF EQUITY HEDGING TRANSACTIONS

Table not completed as only required for entities applying hedge accounting under IFRS 9.

1.3.3 OTHER INFORMATION ON (TRADING AND HEDGING) DERIVATIVE INSTRUMENTS

A. FINANCIAL AND CREDIT DERIVATIVES

No offsets were made in accordance with IAS 32 for the positive and negative fair values of derivative contracts.
Therefore, this table is not completed and reference is made to the previous tables showing the gross values of hedging and trading contracts.

A.1 OTC financial and credit derivatives: net fair value by counterparty

None.

1.4 LIQUIDITY RISK

QUALITATIVE DISCLOSURE

A. General aspects, management and measurement of liquidity risk

Liquidity risk identifies the risk deriving from the Bank's inability to meet its expected and/or unexpected payment commitments on time, without compromising its operations or financial stability.

The Bank has a governance structure, control, monitoring and risk management processes in place to ensure an adequate liquidity profile even in stress situations and in the presence of unexpected exogenous events, such as, for example, those encountered during the 2023 financial year due to the global banking crisis of March 2023.

The main metrics with which liquidity risk is monitored, in accordance with the provisions of the Bank's "Liquidity Management KOD - Italy", annually updated and approved by the ALCO, the Management Board and the Supervisory Board (after consultation with the Risk Committee), are as follows:

•**Liquidity Coverage Ratio (LCR)**: ratio between the volume of high quality liquid assets (HQLA) and the total volume of net outflows in the event of stress, deriving from both current and potential exposures; the LCR was transposed into European legislation through the regulation on capital requirements (CRR). The minimum coefficient to be applied is 100%. For Deutsche Bank S.p.A., at 31 December 2024, the LCR stands at 178% (186% at the end of 2023).

•**Net Stable Funding Ratio (NFSR)**: ratio of the amount of available stable funding to the amount of required stable funding. This ratio, introduced starting from the supervisory report of 30 June 2021, pursuant to CRR2, must be maintained continuously at a level of at least 100%. For Deutsche Bank S.p.A., at 31 December 2024, the NSFR stands at 120% (121% at the end of 2023).

•**Liquidity Stress Test** or Stressed Net Liquidity Position (sNLP): this metric is aimed at verifying the liquidity available under stress conditions over a time horizon of eight weeks. Liquidity stress tests are one of the key tools for liquidity risk management. The objective is to analyse the Bank's ability to withstand certain stress scenarios, thus providing useful indications for defining what countermeasures to take if necessary. The applied stress scenarios have been structured on the basis of historical events and cover bank-specific events (e.g. rating downgrade), market-related events (such as systemic risk) as well as a combination of both. The stress tests consider a time period of eight weeks (which, in the opinion of the parent company, represents the most critical time in the event of a liquidity crisis) and apply the relative stress cases to all the possible risk factors arising from the on- and off-financial statement products.

In order to perform the liquidity stress tests, Deutsche Bank S.p.A. uses Group procedures and internal models, which are developed centrally at the competent structures of the ultimate parent company and are subject to regular review. The Bank's sNLP at 31 December 2024 amounted to €2 billion.

•**Bank of Italy matrix**
or net liquidity position: this metric is designed to verify available liquidity over a 1-month time period.
For Deutsche Bank S.p.A., this metric stood at 33.8% at 31 December 2024 (11.99% at the end of 2023) with respect to a regulatory requirement of 4%. The ratio increased significantly during 2024 for three reasons: 1) an increase in available collateral of €3.5 billion resulting from the repayment of TLTRO-III in March; 2) an increase in available collateral of €2.7 billion derived from ABACO starting in June 2024; 3) a reduction in regulatory assets, which fell from €34.0 billion in December 2023 to €32.0 billion in December 2024.

In addition to the basic metrics that substantiate the Bank's liquidity risk-taking process, a more extensive monitoring framework is implemented that involves a number of metrics to complement the measurement of the risk profile. For example:

•**Use of the DB AG financing line (KWG 15)**: Deutsche Bank S.p.A. has existing financing facilities with Deutsche Bank AG that it can access both in normal times and in stress situations. The use and availability of these uncommitted lines (KWG 15) is subject to constant monitoring.

•**Daily negative change in demand deposits of the PB division**: daily monitoring of retail customers' demand deposit balances compared to the previous day. Demand deposits represent the Bank's main source of funding.

Each indicator reported above is subject to specific limits/thresholds, in accordance with the provisions of the Bank's Risk Appetite Framework (RAF), approved by the Risk Committee and the Supervisory Board of Deutsche Bank S.p.A., so as to promptly identify any signs of deterioration in the Bank's liquidity profile, both in the short and medium to long term, thus enabling the Bank to take appropriate countermeasures where necessary. The risk appetite is calibrated on a predefined basis and feeds the operational monitoring process by the relevant functions.

In this case, the Treasury Organisation Unit is responsible for managing liquidity risk, for the purposes of compliance with the aforementioned thresholds/limits, in accordance with internal policies and procedures.

The Assets and Liabilities Committee (ALCo) is responsible for overseeing and defining guidelines for liquidity risk management, ensuring compliance with the above thresholds/limits. The ALCo is also responsible for deciding what actions to take in the event of potential or actual situations of stress on liquidity, or in the face of any relevant event, in accordance with the provisions of the Bank's "Contingency Funding Plan", periodically updated and tested annually.

The ALCo has also the task of reviewing and approving the local implementation of the transfer pricing principles defined by the ultimate parent company.

QUANTITATIVE DISCLOSURE

1. Breakdown of financial assets and liabilities by residual contractual maturity

Items/Time	On demand	From over 1 day up to 7 days	From over 7 days up to 15 days	From over 15 days up to 1 month	From over 1 month up to 3 months	From over 3 months up to 6 months	From over 6 months up to 1 year	From over 1 year up to 5 years	Over 5 years	Open term	TOTAL
On-statement of financial position assets	6,356,252	68,710	154,333	738,187	1,403,773	2,097,124	2,050,801	9,255,251	6,748,852	141,042	29,014,325
A.1 Government bonds	-	-	-	-	-	-	-	-	-	-	-
A.2 Other debt instruments	-	-	-	-	-	-	-	-	-	-	-
A.3 OEIC units	-	-	-	-	-	-	-	-	-	-	-
A.4 Financing	6,356,252	68,710	154,333	738,187	1,403,773	2,097,124	2,050,801	9,255,251	6,748,852	141,042	29,014,325
- Banks	4,791,773	650	-	160	171,986	965,726	312	1,014,826	2,117,440	141,042	9,203,915
- Customers	1,564,479	68,060	154,333	738,027	1,231,787	1,131,398	2,050,489	8,240,425	4,631,412	-	19,810,410
On-statement of financial position liabilities	14,146,523	203,252	146,068	199,744	393,658	255,303	688,850	3,596,890	7,134,784	-	26,765,072
B.1 Deposits and current accounts	13,485,985	194,096	120,255	193,147	318,717	247,272	687,844	3,596,227	6,614,784	-	25,458,327
- Banks	247,913	55,000	12	-	16,783	64,575	601,982	3,596,000	6,614,784	-	11,197,049
- Customers	13,238,072	139,096	120,243	193,147	301,934	182,697	85,862	227	-	-	14,261,278
B.2 Debt instruments	607	9,156	25,813	6,597	74,941	8,031	1,006	663	-	-	126,814
B.3 Other liabilities	659,931	-	-	-	-	-	-	-	520,000	-	1,179,931
Off-statement of financial position transactions	354,817	33,638	28,019	241,331	445,293	440,048	158,680	251,548	88,641	-	2,042,015
C.1 Financial derivatives with exchange of capital											
- Long positions	-	15,766	13,717	102,976	216,920	197,412	67,108	40,047	-	-	653,946
- Short positions	-	15,765	13,717	102,974	216,914	197,415	67,108	40,047	-	-	653,940
C.2 Financial derivatives without exchange of capital											
- Long positions	-	1,039	315	375	4,757	5,918	10,500	-	-	-	22,904
- Short positions	-	1,068	269	375	4,470	5,668	9,923	-	-	-	21,773
C.3 Deposits and financing to be received											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds											
- Long positions	10,090	-	1	34,631	2,232	33,635	4,041	171,454	88,641	-	344,725
- Short positions	344,727	-	-	-	-	-	-	-	-	-	344,727
C.5 Financial guarantees issued	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-

As permitted by current regulations, the classification by residual maturity of assets, liabilities and off-statement of financial position transactions denominated in foreign currencies is not disclosed as they do not represent a material portion of the same aggregates denominated in euro.

2. Self-securitisation transactions

The parent company has put in place a securitisation transaction in which all the liabilities issued by the vehicle company involved were underwritten by the parent company.

Below is a brief illustration of the transaction in place at 31 December 2024.

ROCKY 2021-1 SPV S.r.l.
In 2021, a self-securitisation transaction was structured regarding receivables from performing personal loans in the context of consumer credit and issued to consumer households, a transaction subject to a periodic repurchase of receivables.

This transaction was carried out with the sale with recourse on 20 April 2021 of a portfolio of loans, equal to €4,757,332,384.50, originated by the parent company, to the vehicle company ROCKY 2021-1 SPV S.r.l. and constitutes the first Asset Backed Security ("ABS") self-securitisation of the Group.
The parent company assigned the receivables to the securitisation vehicle Rocky 2021-1 SPV S.r.l. in line with the requirements of Law no. 130/1999 for securitisation transactions.

The newly established SPV is owned by an entity outside the Group ("Stichting Escalibur", a foundation under Dutch law).
Against the purchase, the vehicle company proceeded with the issue on 30 April 2021 of 2 classes of securities for a total amount of €4,741,500,000.00:
- a Senior Class A tranche for €3,959,200,000.00 (83.5%) which has been given an A1 rating by Moody's and an AH rating by DBRS Morningstar, tranche redeemed in the amount of €459,200,000.00 during 2021;
- a Junior tranche of €782,300,000.00.

The transaction was structured in such a way as to meet the requirements of the new European regulation on "simple, transparent and standardized" (STS) securitisations.

The senior securities issued by the vehicle company were listed on the ExtraMOT PRO professional segment of Borsa Italiana S.p.A. and were fully subscribed by the parent company. At 31 December 2024, they were deposited with the Bank of Italy as "contingent collateral" for any requests for loans.

The junior notes issued by the vehicle company were also fully subscribed by the parent company.
At 31 December 2024 and 31 December 2023, the nominal value of the outstanding securities, subscribed by the parent company, was equal to €3,500 million for senior notes and to €782 million for junior notes.

1.5 OPERATIONAL RISKS

QUALITATIVE DISCLOSURE

A. General aspects, management and measurement of operational risk

Operational risk is the risk of losses resulting from an error in, or from inadequacy of, processes and internal systems, or human error, or losses resulting from an external event. Operational risk includes legal risk while excluding business and reputation risks.

Deutsche Bank S.p.A.'s Operational Risk Management Framework is a governance model based on the "3 Lines of Defence" (3LoD), which within the Institute's Internal Control System redistributes responsibilities along the aforementioned 3 lines of defence while defining the minimum standards expected in the execution of the Institute's risk profile monitoring activities.

The 3LoD model and its underlying principles apply to all organisational levels, i.e. Deutsche Bank AG Group, Region, Country, Legal Entity, Branch, etc. The 3 Lines of Defence have a duty to adopt organisational safeguards delegated to ensure adherence to the principles defined in the model, taking into account the legal and regulatory framework. In general, all company structures are subject to risks inherent in their own processes that they oversee as risk owners. However, the first Line of Defence (1st LoD) is the one whose front-end activities generate or are most exposed to operational risks. For example, 1st LoD are mainly the business divisions and infrastructural organisations that provide services to the Bank (Group Technology Operations, Corporate Services, Divisional Control Officer, etc.). The second Line of Defence (2nd LoD) is formed of all the independent infrastructure functions responsible for managing and controlling risks, in particular the Non-Financial Risk - Operational Risk Management and Corporate Insurance (NFR - ORM&CI) O.U. for operational risks. Operational risks are attributable to a broad taxonomy that groups them and assigns them to the various 2nd LoDs. The third Line of Defence (3rd LoD) is the Internal Audit Function, Group Audit O.U.

The identification, quantification and corresponding determination of the adequacy of the level of risk with respect to the Bank's operating model, as well as the adoption of the necessary risk mitigation measures, are an integral part of Deutsche Bank S.p.A.'s Risk Appetite Framework. The quantification of operational risk, consistently expressed in the process of determining the Bank's demand for regulatory and economic capital, is therefore an integral part of the process of identifying Pillar 1 and Pillar 2 capital requirements, and is translated into the corresponding levels of the following control metrics: Common Equity Tier 1 ratio and Economic Capital Adequacy, Tier 1, Total Capital Ratio and Operational Risk Losses, reported respectively as regulatory limits, risk-appetite thresholds and operational/management limits. Within the risk governance processes, NFR - ORM&CI operates as a second-level function in risk assessment and management, and supports the adoption of organisational safeguards to maintain appropriate risk levels.

Deutsche Bank S.p.A. organisational model provides for a clear identification of roles and responsibilities, in line with the 3LoD governance approach, able to guarantee the assumption of a level of risk deemed appropriate to the nature of the business model adopted:
i. the Non-Financial Risk Management Function defines and maintains in a consistent and homogeneous way within the Deutsche Bank AG Group the common framework for the management of operational risks (so-called "Operational Risk Management Framework");
ii. the Risk Owners (1st LoD) are fully responsible for the non-financial risks generated by their operations and take steps to adopt a responsible management consistent with a predefined risk appetite;
iii. the Risk Type Controllers (2nd LoD) define the minimum operational risk control standards for which they are responsible and the related risk appetite and carry out the second level controls, in full independence (2nd LoD);
iv. the Global Non-Financial Risk Management Function defines the operational risk assessment methodology, the risk management framework.
This governance model translates into the following operational guidelines:
i. the development and the continuous maintenance of the Operational Risk Management Framework (ORMF), including the clear and detailed definition of roles and responsibilities, ensuring full consistency at Group level, is provided by the Non-Financial Risk Management Function of the ultimate parent company;
ii. the daily management of operational risk by:
a) the Risk Owners (1st LoD) i.e., in the parent company, the Business divisions and infrastructure functions that act as "service providers" within the Group;
b) the Control Functions with regard to their own processes or if they are carrying out first level controls;
iii. the monitoring and critical review of the implementation of the ORMF at the level of the Bank carried out by the NFR - ORM&CI O.U. of Deutsche Bank S.p.A., an independent second level function. This control activity is exercised on the operational risks for all divisions/infrastructure functions in coordination with the other control functions (Risk Type Controllers), addressing the resolution of points of incomplete or incorrect implementation of the ORMF and ensuring the constant analysis of the evolution of the operational risks of the Bank and the Group;
iv. the periodic verification, reported at least quarterly to the top management of the Bank, also in prospective terms, of the adequacy of the capital held by the Bank also against operational risks.

The supervision of all operational risk aspects at the Deutsche Bank S.p.A. Group level and the adoption of any escalation initiatives is delegated to a Management Committee, specifically established at the parent company, the Non-Financial Risk Committee, composed of the Head of the Macro Area Chief Risk Officer, who chairs it, the Head of the ORM & Insurance Organisational Unit and Head of Portfolio Management (deputy), the Head of the Macro Area Chief Operating Officer, the Head of the Human Resources Department, the Heads of the Legal, Compliance, Anti-Financial Crime and Tax Organisational Units, the Head of the NFRM Resilience & Infrastructure Coverage sector and the Heads of the Macro Area Chief Financial Officer and of the Macro Area Chief Information Officer. The Non-Financial Risk Committee also includes, without voting rights, the COO PB Italy, the COO Milan Branch/COO CB Italy/COO IB Italy, the Divisional Control Officer Italy, the Information Security Material Risk Taker Manager and the Controls Testing & Assurance Manager. NFR - ORM&CI coordinates the Non-Financial Risk Committee, monitoring the implementation of the decisions taken.

The operating model is based on a group of organisational safeguards of a heterogeneous and integrated nature, aimed at identifying, assessing and mitigating operational risks:
• Loss Data Collection: the systematic collection of loss events resulting from operational risks, an essential prerequisite for risk management activities, including detailed analyses, identification of possible corrective actions and timely communication with senior management. All losses exceeding €10,000 are recorded in the EMApp system;
• the "Lessons Learned" process is activated for those events that involve a loss starting from €2,500,000 or, regardless of the amount, when the need arises. The process includes, but is not limited to:
- risk analysis, including a description of the business context within which the loss or possibility of loss has occurred;
- cause analysis;
- revision for improvement of controls and other actions to prevent or mitigate recurrence of the event;
- assessment of the residual exposure to operational risk.
The execution of the corrective actions defined as part of the "Lesson Learned" is subject to systematic monitoring through specific tools (GFMS - Global Finding Management System).

• Emerging Risk Identification: impacts on the risk profile resulting from new products or core change initiatives are assessed and approved in advance. In the case of important transformations of the business or processes, the Transformation Risk Assessment is used, in which the first line carries out an ex ante recognition of the emerging risks and existing controls and, through critical review by the control functions, assesses the residual risk both in the design phase and after the go-live of the initiative.
• Risk Mitigation: once the mitigating actions have been implemented, they are monitored until the identified risk factors are removed.
• Self-Assessment Process (bottom-up): carried out at least once a year, it is used to highlight potentially high-risk areas, identifying possible interventions to mitigate the risk, through the Risk and Control Assessment process, supported by a global application.

Other processes, methodologies and tools are used in Deutsche Bank to supplement the Operational Risk Framework and manage specific types of non-financial risks. These include, in particular:
• the Operational Risk arising from outsourcing contracts, managed through the Third Party Risk Management ("TPRM") process: the risk is assessed and managed individually for each contract, following the rules set out in the relevant TPRM Policy and in line with the Deutsche Bank AG Group framework;
• the New Product Approval ("NPA") and NPA Reference process for assessing and approving (among others) the operational risk associated with the adoption of new products or the implementation of new processes related to them;
• Business Continuity Risk, for which Deutsche Bank has set up a framework, compliant with the Group's corporate procedures, with the reference regulations and aligned with the standards of the banking sector. In the context of this programme, each business and infrastructure function is required to establish, update and test the effectiveness of business continuity plans for their respective sectors, including the definition of strategies for the recovery of relevant activities in the event of business interruption due to critical events, through back-up solutions.
In the event of highly critical events for the Bank as a whole (e.g. having an actual or potential impact on the safety of employees and/or on the financial, operational, reputational or regulatory situation), a crisis management framework has been defined, the effectiveness of which is periodically tested through periodic exercises involving senior management;
• Information Security & Technology Risk ("IS&T Risk") refers to the operational risk associated with the use of technological solutions to support (i) the acquisition and management of data in digital format, (ii) the provision of digital services to customers, such as internet banking systems.
In this context, the IS&T Risk management framework implements the company risk management strategy and takes into account technology, processes, personnel, budget, regulatory requirements and best practices in order to prevent and combat risks related to IT security; the technologies covered by IS&T Risk include, but are not limited to, hardware, software, telecommunications systems, data processing and storage centres, and third-party managed solutions. The IS&T Risk management framework follows the 3LoD model and the Group's Non-Financial Risk Management Framework by defining its principles and minimum control standards. The IS&T risk appetite statement defines (i) the acceptable limits of IT system availability in relation to financial, reputational and regulatory impacts, as well as (ii) the acceptable limits of risk related to the loss or inappropriate manipulation of data managed through IT systems.
IS&T Risk monitors the organisation's adherence to the principles and risk appetite defined for the management of technology and IT security risk through the use of specific risk metrics.

The parent company uses the Basic Indicator Approach (BIA) to determine its capital requirements for operational risks:

(in thousands of euro)	31/12/2024	31/12/2023	31/12/2022
Capital requirements for operational risks	155,186	145,519	140,983

QUANTITATIVE DISCLOSURE

Operational risk losses by type of event (*in thousands of euro*)	Year 2024		Year 2023	
	Distribution of losses	number of events	Distribution of losses	number of events
Customers, Products and Business Modes	2,959	73	10,468	87
External Fraud	(715)	47	2,667	60
Internal Fraud	(43)	4	(567)	3
Execution, Delivery & Management Process	987	29	2,842	34
Other	(55)	5	701	13
Total	3,133	158	16,111	197

Year 2024
In 2024, the impact on operating losses due to legal events decreased significantly compared to the previous year, although it still represents the main component of operational risk. In addition to the release of reserves, the final result also reflects the effect of a legal event that materialised financially at the beginning of the year and that fell within the accounting scope of the previous year (in the total amount of the event for a dispute over transactions in financial instruments).
The main events are shown below:
- €1,744,000 for two claims for damages for unlawful conduct by two financial advisors;
- €558,000 for alleged breaches of an agency contract;
- €555 thousand for various cases related to compound interest (recorded as a single event);
- while on the recovery side, there were two events totalling €1,072 thousand with recoveries for fraud perpetrated by financial advisors.
A fragmentation of small events constitutes the remaining part of the losses/provisions.
Although it is always possible for single events to occur, they are counteracted by the use of risk control tools such as, among others, Lessons Learned on material cases and Self Identified Issues as devices that continuously identify problems in the processes, in incomplete or missing documentation, addressing their resolution/mitigation in order to reduce their likelihood of occurrence and consequent impact.

Year 2023

In 2023, Deutsche Bank S.p.A. recorded a total loss/provision of €16,111 thousand. Legal losses were the main cause of this result. Also in previous years, legal losses represented the main component of OR losses, but in 2023 they contributed a higher percentage than the average of previous years (93% compared to 71%, 2019-2022 average). There are multiple lawsuits, but the most significant relate to the cases of former financial advisors of DB FA (Deutsche Bank Financial Advisor - business unit sold in 2022). On the one hand, the sale of the business unit triggered lawsuits related to agency mandates with the consequent need to set reserves, and on the other hand, there was a review of some legacy cases on client lawsuits in which the calculations of legal interest and legal fees of the opponents were revised. Also in the legal losses, a single charge should be mentioned (not related to the former DB FA) which saw an unexpected deterioration at the beginning of 2024, during the closing of the financial statements, due to an adverse judgement, which led to an increase of €3.6 million of provision on the previous €2 million set aside.
Overall, the main individual loss events are as follows:
- €5,646 thousand for a dispute over transactions in financial instruments (shares, warrants) and related to advisory services;
- €800 thousand for a lawsuit over the repayment of negative results on OTC derivatives for alleged invalidity or breach of contract;
- €720 thousand for alleged breaches in an agency agreement;
- €500 thousand for a claim for damages for unlawful conduct of a financial advisor.

At the level of aggregate events and considering the level of individual triggering cause, the following should be noted:
- €5,800 thousand related to the former financial advisors of DB FA;
- €1,200 thousand for the alleged invalidity of contracts challenged by customers mainly due to inadequate information on the structure of derivative transactions and a violation of report obligations;
- €900 thousand for various practices related to compound interest (recorded as a single event).

A fragmentation of small events constitutes the remaining part of the losses/provisions.
Although it is always possible for single events to occur, they are counteracted by the use of risk control tools such as, among others, Lessons Learned on material cases and Self Identified Issues as devices that continuously identify problems in the processes, in incomplete or missing documentation, addressing their resolution/mitigation in order to reduce their likelihood of occurrence and consequent impact.

Tax litigation

What has already been described in the Management Board's Report on the Consolidated Financial Statements regarding the Tax Litigation is reported below. The Revenue Agency's disputes regarding the following matters are still pending for the years 2016 and 2017: the non-deductibility of costs for interest rate risk hedging instruments deemed by the Agency to be uneconomic; the excessive cost of a commission for a guarantee provided by another DB Group company; the restatement of intercompany prices relating to commissions for the placement of financial products. These are findings deemed unfounded by the Bank and for which a negative outcome of the dispute is considered unlikely. Consequently, no provisions were made. During 2024, the Agency announced the draft assessment for 2018, concerning the same findings as the previous two years, which is expected to be notified in 2025. The dispute relating to IRES for 2008, relating to transfer pricing issues, is still pending before the Court of Cassation.

PART F – Consolidated Equity

Section 1 - CONSOLIDATED EQUITY

A. Qualitative disclosure

Consolidated equity is the equity owned by the Group and consists of all those elements that do not fall under the definition of assets or liabilities according to the methods of measurement and quantification established by international accounting standards.

Capital management comprises the policies and decisions necessary to define the amount of equity so as to ensure compliance with prudential regulations.

The parent company monitors compliance and utilisation of capital related to risk assets on an ongoing basis, especially its counterparties' creditworthiness.

The Deutsche Bank Group is subject to the prudential rules set forth in Basel III pursuant to the rules defined by the European authorities with the CRR Regulation and the CRD IV Directive, as well as by Bank of Italy, and is subject to the capital adequacy requirements.

These rules first of all provide for higher minimum requirements for regulatory capital (CET1 and T1) than did the Basel II regulations. Secondly, they require banks to have capital resources in excess of the minimums (additional buffers).

It should be noted that from 2019 the parent company is no longer required to draw-up supervisory reports on a consolidated basis.

B. Quantitative disclosure

B.1 Consolidated equity: breakdown by type of company

Equity captions	Consolidated prudential	Insurance companies	Other companies	Eliminations and consolidation adjustments	Total
Share capital	412,165	-	-	-	412,165
Share premium	331,959	-	-	-	331,959
Reserves	1,712,376	-	-	-	1,712,376
Equity instruments	425,000	-	-	-	425,000
(Treasury shares)	(3,516)	-	-	-	(3,516)
Valuation reserves:	1,876	-	-	-	1,876
- Equity securities designated at fair value through other comprehensive income	-	-	-	-	-
- Hedges of equity securities designated at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-	-	-	-
- Property, equipment and investment property	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Hedges of foreign investments	-	-	-	-	-
- Cash flow hedges	-	-	-	-	-
- Hedging instruments [non-designated elements]	-	-	-	-	-
- Exchange rate gains (losses)	-	-	-	-	-
- Non-current assets and group of assets held for sale	-	-	-	-	-
- Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-	-	-	-
- Actuarial gains (losses) on defined benefit plans	1,876	-	-	-	1,876
- Portion of valuation reserves of equity investments valued with the equity method	-	-	-	-	-
- Special revaluation laws	-	-	-	-	-
Profit (Loss) for the year (+/-) of the Group and non-controlling interests	120,381	-	-	-	120,381
Equity	**3,000,241**	**-**	**-**	**-**	**3,000,241**

It should be noted that the valuation reserves relating to actuarial gains (losses) regarding the defined benefit pension plans are not reversed in the income statement.
Changes in equity during the year are shown in the statement of changes in equity.

B.2 Valuation reserves of financial assets measured at fair value through other comprehensive income: composition

None.

B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: annual changes

None.

B.4 Valuation reserves of defined benefit plans: annual changes

Opening balance at 1 January 2024	**2,079**
Changes during the year	(203)
Closing balance at 31 December 2024	**1,876**

Section 2 - REGULATORY CAPITAL AND RATIOS

It should be noted that from 2019 the parent company is no longer required to draw-up supervisory reports on a consolidated basis.

Part G – BUSINESS COMBINATIONS

SECTION 1 - TRANSACTIONS CARRIED OUT DURING THE YEAR

1.1 Business combinations

The Group did not carry out any business combinations involving entities or business units during the year (according to the IFRS 3 definitions).

1.2 Other disclosures on business combinations

1.2.1 Changes in goodwill

(thousands of euro)	
Goodwill at 1.1.2024	-
Increases	
Goodwill recognised during the year	-
Decreases	
- Impairment losses	-
- Disinvestments	-
Goodwill at 31.12.2024	-

SECTION 2 - TRANSACTIONS CARRIED OUT AFTER THE REPORTING DATE

2.1 Business combinations

No transactions have taken place after the reporting date.

Section 3 - Retrospective adjustments

None.

Part H – RELATED PARTY TRANSACTIONS

The IAS 24 definition of a related party is set out below.

Related party

A related party is a person or entity that is related to the entity that is preparing its financial statements.

(a) A person or a close family member of that person is related to a reporting entity if that person:
(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent company of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:
(i) the entity and the reporting entity are members of the same group (which means that each parent company, subsidiary and company of the group is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a group to which the other entity belongs);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
(vi) the entity is controlled or jointly controlled by a person identified in point (a);
(vii) a person identified in point (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent company of the entity).

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close family members of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Based on the above definitions, the parent company's and other consolidated companies' significant related parties are the following:

- Directors of the Management or Supervisory Boards, managers in charge of business divisions and control functions and their family members;
- Board Directors, statutory auditors and key management personnel of the subsidiaries and their family members;
- companies controlled directly or indirectly by the parent company, Deutsche Bank S.p.A.;
- the holding company Deutsche Bank AG;
- other Deutsche Bank AG Group companies around the world;
- the pension fund for personnel of Deutsche Bank S.p.A.

1. Fees of key management personnel

The following table provides details of the costs incurred for key management personnel in 2024.

Role/Office held Data in €/000	Short-term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	**Total 2024**	**Total 2023**
Members of the parent company's management and supervisory board	4,128	1,021	1,638	927	1,252	**8,966**	**9,572**
Board Directors of investee companies	15	-	-	-	-	**15**	**13**
Statutory auditors of investee companies	14	-	-	-	-	**14**	**14**
Internal control functions of the parent company	1,308	128	28	-	29	**1,493**	**1,107**
Other key management personnel	2,159	315	121	-	154	**2,749**	**2,173**
Business division *heads*	1,455	269	339	-	414	**2,477**	**2,116**
Total 2024	**9,079**	**1,733**	**2,126**	**927**	**1,849**	**15,714**	**X**
Total 2023	**8,011**	**1,357**	**1,182**	**3,167**	**1,278**	**X**	**14,995**

With regard to the liabilities recognised in the Financial Statements related to the costs of strategic resources, at 31-12-2024 and 31-12-2023 the following is report

Data in €/000	**31.12.2024**	**31.12.2023**
Post-employment benefits	72	70
Other liabilities and provisions	290	406
Total	**362**	**476**

2. Notes on Related party transactions

2.1 Transactions with key management personnel

The following table shows the balances at 31 December 2024, grouped by type of function performed, credit facilities granted and their use by Deutsche Bank S.p.A., as well as deposits, current accounts and other forms of direct funding held with the parent company.

Role/Office held Data in €/000	Credit facilities granted	Cash loans and other advances	Payables for deposits, current accounts and prepaid cards
Members of the Management Board	218	195	(973)
Members of the Supervisory Board	5	5	-
Control functions	134	104	(300)
Heads of business divisions and other key management personnel	41	34	(35)
Board Directors of subsidiaries and associates, key management personnel of the holding company Deutsche Bank AG	4,180	4,125	(856)
Pension fund for personnel of Deutsche Bank S.p.A.	-	-	(18)
Associated parties	9	6	(55)
Total 2024	**4,587**	**4,469**	**(2,237)**
Total 2023	**4,916**	**4,759**	**(1,864)**

2.2 Transactions with Group companies

The balances of the transactions carried out by the Italian Group companies with the holding company, Deutsche Bank AG, and the other Deutsche Bank AG Group companies are shown in the following table:

Statement of financial position thousands of euro	**Holding company Deutsche Bank AG**	**Other Deutsche Bank AG Group companies**	**Pension fund for personnel of Deutsche Bank S.p.A.**	**Total**
Assets				
10. Cash and cash equivalents	4,116,523	93	-	4,116,616
20. Financial assets measured at fair value through profit or loss	48,376	-	-	48,376
40a) Loans and receivables with banks	3,753,929	28,401	-	3,782,330
40b) Loans and receivables with customers	-	206	-	206
50. Hedging derivatives	4,483	-	-	4,483
130. Other assets	25,816	4,324	-	30,140
Total	**7,949,127**	**33,024**	**-**	**7,982,151**
Liabilities				
10a) Due to banks	11,734,145	15,385	-	11,749,530
10b) Due to customers	-	2,122	18	2,140
20. Financial liabilities held for trading	23,611	-	-	23,611
100. Other liabilities	42,785	9,033	-	51,818
Total	**11,800,541**	**26,540**	**18**	**11,827,099**

The notional amounts and market values of the derivatives in place at 31 December 2024 are as follows.

in thousands of euro	**Holding company Deutsche Bank AG**	**Other Deutsche Bank AG Group companies**	**Total**
Notional amount of interest rate derivatives	2,085,583	-	2,085,583
Positive fair value of interest rate derivatives	49,455	-	49,455
Negative fair value of interest rate derivatives	(16,435)	-	(16,435)
Notional amount of equity security and share index derivatives	-	-	-
Positive fair value of equity security and share index derivatives	-	-	-
Negative fair value of equity security and share index derivatives	-	-	-
Notional amount of forward and spot foreign exchange co	256,315	-	256,315
Positive fair value of forward and spot foreign exchange contracts	2,688	-	2,688
Negative fair value of forward and spot foreign exchange contracts	(5,944)	-	(5,944)
Notional amount of foreign exchange derivatives	81,945	-	81,945
Positive fair value of foreign exchange derivatives	716	-	716
Negative fair value of foreign exchange derivatives	(1,232)	-	(1,232)

The next table shows the 2024 income statement items.

Income Statement thousands of euro	**Holding company Deutsche Bank AG**	**Other Deutsche Bank AG Group companies**	**Pension fund for personnel of Deutsche Bank S.p.A.**	**Total**
10. Interest and similar income	224,593	1,422	-	226,015
20. Interest and similar expense	(432,311)	(146)	-	(432,457)
40. Fee and commission income	15,269	27,794	-	43,063
50. Fee and commission expense	(2,642)	(4,725)	-	(7,367)
80. Net trading income (expense)	(39,137)	-	-	(39,137)
100. Profit (loss) on sale or repurchase of financial liabilities	270	-	-	270
190. Administrative expenses	(73,099)	(14,917)	-	(88,016)
230. Other operating income/expense	(314)	277	-	(37)
Total	**(307,371)**	**9,705**	**-**	**(297,666)**

The following table summarises the key figures of the 2023 and 2022 Consolidated Financial Statements of Deutsche Bank AG, Frankfurt (Germany), the holding company that manages and coordinates Deutsche Bank S.p.A.

Key figures of Deutsche Bank AG (based on IFRS) € millions	**31 12 2023**	**31 12 2022**
Total assets	1,312,331	1,336,788
Lending - Repos and securities lending	14,764	11,478
Financial assets measured at fair value through profit or loss	465,252	482,376
Financial assets measured at fair value through the valuation reserve	35,546	31,675
Loans and receivables	473,705	483,700
Deposits from customers and banks	622,035	621,456
Funding - Repos and securities lending	3,042	586
Financial liabilities measured at fair value	366,475	388,072
Non-current liabilities	119,390	131,525
Equity	64,486	61,959
Net interest income	13,602	13,650
Total income	28,879	27,210
Accruals to the allowance for impairment	(1,505)	(1,226)
Operating costs	(21,695)	(20,390)
Operating profit (loss)	5,678	5,594
Net Profit (loss) attributable to the Group	4,892	5,659
Headcount	90,130	84,930
Branches	1,432	1,536
Common Equity Tier 1 (CET1) ratio	13.70%	13.40%
Tier 1 capital ratio	16.10%	15.70%
Total capital ratio	18.60%	18.40%
Long-term rating (non-preferred senior, unsecured):		
Moody's Investors Service, New York	Baa1	Baa1
Standard & Poor's, New York	BBB	BBB-
Fitch Ratings, New York	A-	BBB+
DBRS Ratings, Toronto	A (low)	BBB (high)

Part I – Payment agreements based on own equity instruments

This type of payment agreements was not used in the DB S.p.A. Group in 2024 and 2023; however, for the sake of completeness, it is deemed useful to note the following:
Deutsche Bank AG Group has granted to some employees of the Group companies remuneration plans based on the shares of the ultimate parent company (Deutsche Bank AG).
These plans provide for the allocation to the interested employees of a certain number of shares of the ultimate parent company on condition that the employees remain with the company for a defined period of time (vesting period). The grant of shares to employees is free of charge, except for the taxes and social security contributions on the value of the shares at the time of the actual delivery of the securities to the employees.
These share-based plans establish that the shares will be delivered to the employees, if they comply with the vesting period conditions, by a service company of the Group (DB Group Services Ltd), which is specialised in managing this type of plan.
The costs for the purchase of the shares under the plan is borne by the company where the employees are employed.

The agreement between the individual companies and DB Group Services Ltd provides for the purchase of the shares at a fixed price, which is determined at the time the related rights are granted to the employees.
The transaction is completed when DB Group Services Ltd allocates the shares by issuing invoices to the individual Group companies. These invoices also include the cost of hedging the price fluctuation of Deutsche Bank AG's shares.
Under the terms of the agreement, the fair value of the share-based remuneration plan at the reporting date was calculated using the price defined in the share purchase agreement.

The accounting treatment of these transactions, established in accordance with the provisions of IFRS 2, "Share-based Payment", refers to the case of the share-based payment arrangement settled with equity instruments of the holding company Deutsche Bank AG.
The share plans are classified as "equity-settled" in the Separate Financial Statements of Deutsche Bank AG.
For all plans using DB AG shares, our holding company Deutsche Bank AG has been identified as the entity granting the right to receive shares: therefore, in the financial statements of all subsidiaries such plans are classified as equity-settled share-based payment transactions.

For the purposes of the IFRS Separate Financial Statements, each subsidiary recognises the services received under the share plan as personnel expenses against a corresponding increase in equity for a capital contribution by the holding company, which is credited to the reserves.
The amount of the personnel expenses is based on the communications sent by DB Group Services Ltd to all the Group companies.

The cost of the shares allocated is recharged to the subsidiaries as follows:
this cost is recognised on an accrual basis over the period in which the employees render their services, which corresponds to the vesting period under the respective plans, if the employment relationship is not terminated early.
In accounting terms, this cost is treated by the subsidiaries as an adjustment to the capital contribution received from the holding company: the liability for recharging the cost is then accounted for by reducing equity accordingly, by charging the item "reserves".

Gains/losses from hedging Deutsche Bank AG share price fluctuations are credited/debited to the Group companies by DB Group Services Ltd: in this case, too, financial changes are recorded as balancing entries to the changes in the equity item "reserves".

Part L – Segment reporting

Disclosures about the operating segments have been prepared in accordance with the "managerial approach" provided for by IFRS 8, whereby operating segments are presented on the basis of internal reports. These are regularly reviewed by the operational manager for the allocation of resources to a particular area and for the evaluation of its performance.

A. Primary reporting format

Organisation by business segment

Operating segments

The following operating segments reflect the Group's organisational structure as set out in internal management reports.
The Group's segment reporting reflects the organisational structure of the internal management reporting systems, on which the assessment of the financial performance of the business segments and the allocation of resources to them are based. In general, reclassifications resulting from changes in the organisational structure are included in the presentation of comparative figures for previous periods when considered in the Group's management reporting systems.

The organisational structure of the DB AG Group is divided into four main business divisions, in addition to a unit responsible for the disposal of non-core activities.
At 31 December 2024, the operating segments were as follows:
- Corporate Bank;
- Private Bank;
- Investment Bank;
- Asset Management;

in addition to the Capital Release Unit (CRU).

This divisional organisation had been implemented at the DB AG Group level from the beginning of the third quarter of 2019 as a result of the announcement of the new strategy, which was communicated to investors on 8 July 2019.
The significant aspects of the sectoral structure can be summarised as follows:
Corporate Bank (CB) – this division provides financing, lending and transaction banking services to corporate and commercial customers, and is divided into the two sub-divisions GTB – Global Transaction Banking and Commercial Banking;
Private Bank – this division includes the sectors that work with private retail customers, as well as wealth management (WM) activities offered to high net worth individuals, foundations and professional companies operating in the WM sector;
Investment Bank – this division operates in the areas of debt and equity origination, advisory, structured finance and asset backed securities;
Asset Management – this division performs asset management activities that provide investment solutions to individual investors and financial intermediaries operating in this field;
finally, the purpose of the Capital Release Unit (**CRU**) is to dispose of assets that are no longer required for the Bank's business in order to free up resources, reduce risk-weighted assets and the associated use of regulatory capital.

The following tables show the main statement of financial position and income statement figures for the year ended 31 December 2024.

Income statement

(€ millions)	Investment Bank	Corporate Bank	Asset Management	Private Bank	Total divisions	Central services, capital release unit, consolidation and reconciliation	Total
net interest income	1.7	44.2	-	563.7	**609.6**	81.0	**690.6**
net fee and commission inc	(0.5)	39.1	-	320.9	**359.5**	(7.0)	**352.5**
other revenue, net	5.5	6.3	-	7.8	**19.6**	(4.6)	**15.0**
Net revenue	**6.7**	**89.6**	**-**	**892.4**	**988.7**	**69.4**	**1,058.1**
Accruals to allowances for impairment	**0.0**	**(1.8)**	**-**	**(176.1)**	**(177.9)**	(0.3)	**(178.2)**
personnel expense	-	(7.1)	-	(264.2)	**(271.3)**	(58.6)	**(329.9)**
amortisation, depreciation and impairment losses	-	(0.4)	-	(37.6)	**(38.0)**	(6.8)	**(44.8)**
other operating costs	(2.2)	(35.9)	-	(331.6)	**(369.7)**	51.8	**(317.9)**
Operating costs and adjustments	**(2.2)**	**(43.4)**	**-**	**(633.4)**	**(679.0)**	**(13.6)**	**(692.6)**
Pre-tax profit (loss) for the year	**4.5**	**44.4**	**-**	**82.9**	**131.8**	**55.5**	**187.3**

Statement of financial position

(€ millions)	Investment Bank	Corporate Bank	Asset Management	Private Bank	Total divisions	Central services, capital release unit, consolidation and reconciliation	Total
Financial assets	27	1,297	-	19,351	20,675	8,566	29,241
Other assets	-	241	-	1,715	1,956	(522)	1,434
Groups of assets held for sale	-	-		-	-	-	-
Total assets	**27**	**1,538**	**-**	**21,066**	**22,631**	**8,044**	**30,675**
Financial liabilities	10	3,418	-	11,852	15,280	11,696	26,976
Other liabilities	9	277	-	569	855	(156)	699
Liabilities held for sale	-	-	-	-	-	-	-
Equity	5	45	-	70	120	2,880	3,000
Total liabilities and equity	**24**	**3,740**	**-**	**12,491**	**16,255**	**14,420**	**30,675**

B. Secondary reporting format

The breakdown of income statement and statement of financial position figures by geographical area is not relevant for the Deutsche Bank Group as all activities are carried out in Italy.

Part M – LEASING INFORMATION

Section 1 - Lessee

Qualitative information

Lease agreements falling within the scope of application of IFRS 16 refer to the following types of underlying assets:
- real estate for functional use, housing the Bank's branch network, financial shops and direct sales outlets of the Deutsche Bank Easy division;
- vehicles belonging to the company fleet.

IFRS 16 is applicable only to the parent company which has both property unit lease agreements and car rental agreements in place.

The parent company has taken advantage of the possibility granted by IFRS 16 par. 16 not to apply the provisions for lessees for the accounting and presentation in the financial statements of short-term contracts and contracts of low value:

- contracts with a duration not exceeding twelve months are considered to be short-term contracts;

- contracts for assets whose initial market value (new assets) does not exceed €5,000 are considered low-value;
- for these types of contracts, the expense is recognised on a constant basis over the term of the contracts and is classified as "other administrative expenses".

Quantitative disclosure

In addition to the information below, see the following sections of these Notes to the Financial Statements:
- part B, Assets, section 6 on property, equipment and investment property, for the rights of use;

- part B, Liabilities, section 1 on financial liabilities measured at amortised cost, for lease payables to leasing companies;

- part C, income statement, section 1, interest, for the section on interest expense on lease payables.

Depreciation and value adjustments for assets consisting of the right of use by underlying asset class are detailed as follows for the years 2024 and 2023:

Data in €/000	year 2024	year 2023
Depreciation of right of use - real estate for functional use	27,497	29,041
Value adjustments - real estate for functional use	1,476	2,341
Depreciation of right of use - motor vehicles	1,492	1,352
total	30,465	32,734

The following costs, recorded as administrative expenses, were incurred for lease agreements excluded from the application of IFRS 16:

Data in €/000	year 2024	year 2023
Costs related to short-term leases	4,184	3,786
Costs related to the lease of small value assets	578	642
total	4,762	4,428

As for cash outflows to which the lessee is potentially exposed, which do not take into account the valuation of lease liabilities, exposures arising from extension and termination options are relevant to Deutsche Bank.

At 31 December 2024 and 2023, the quantification of potential outflows is as follows:

Data in €/000	year 2024	year 2023
Up to a year	1,418	1,327
between 1 and 2 years	4,508	4,373
between 2 and 3 years	8,485	8,708
between 3 and 4 years	11,364	15,625
between 4 and 5 years	15,940	19,056
beyond 5 years	441,585	438,910
total	483,300	487,999

Section 2 - Lessor

None.

ANNEXES TO THE FINANCIAL STATEMENTS

Compensation to the independent auditors
(thousands of euro)

Type of service	Party providing service	Year 2024
Accounting audit	Forvis Mazars S.p.A.	493
Other services	Forvis Mazars S.p.A.	80
	Total	**573**

The amounts shown in the table are the contractually agreed fees and do not include any expenses, supervisory contributions, or VAT.

Fiduciaria Sant'Andrea S.r.l.
Registered office in Milan - Piazza del Calendario no. 3

Statement of financial position

data in euro

Assets items		31.12.2024	31.12.2023
10.	Cash and cash equivalents	140,156	8,286
40.	Financial assets measured at amortised cost	1,174,690	998,391
	a) loans and receivables with banks	467,474	760,946
	c) loans and receivables with customers	707,216	237,445
100.	Tax assets	138,630	97,721
	a) current	59,403	10,733
	b) prepaid	79,227	86,988
120.	Other assets	174,066	246,738
Total assets		**1,627,542**	**1,351,136**

Liabilities and equity items		31.12.2024	31.12.2023
10.	Financial liabilities measured at amortised cost:	451,134	128,891
	a) due to banks	-	105,002
	b) due to customers	451,134	23,889
80.	Other liabilities	390,844	487,652
90.	Post-employment benefits	71,000	74,000
100.	Provisions for risks and charges:	15,788	18,517
	c) other provisions for risks and charges	15,788	18,517
110.	Valuation reserves	12,203	8,668
140.	Reserves	539,808	321,229
160.	Capital	93,600	93,600
180.	Profit (Loss) for the year	53,165	218,579
Total liabilities and equity		**1,627,542**	**1,351,136**

Income Statement

data in euro

Items		2024	2023
10.	Interest and similar income	20	13
20.	Interest and similar expense	(98)	(514)
30.	**Net interest income**	**(78)**	**(501)**
40.	Fee and commission income	1,161,005	1,320,184
60.	**Net fees and commissions**	**1,161,005**	**1,320,184**
120.	**Total income**	**1,160,927**	**1,319,683**
150.	**Net financial income**	**1,160,927**	**1,319,683**
160.	Administrative expenses:	(1,203,312)	(1,085,582)
	a) personnel expenses	(568,818)	(548,870)
	b) other administrative expenses	(634,494)	(536,712)
210.	**Operating costs**	**(1,203,312)**	**(1,085,582)**
260.	**Pre-tax profit (loss) from continuing operations**	**(42,385)**	**234,101**
270.	Income taxes for the year from continuing operations	95,550	(15,522)
280.	**Post-tax profit (loss) from continuing operations**	**53,165**	**218,579**
300.	**Profit (Loss) for the year**	**53,165**	**218,579**

Statement of comprehensive income

data in euro

Items		2024	2023
10.	**Profit (Loss) for the year**	**53,165**	**218,579**
	Other comprehensive income (expense), net of income taxes, that will not be reclassified to profit or loss		
20.	Equity securities designated at fair value through other comprehensive income	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40.	Hedges of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, equipment and investment property	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	**3,535**	(3,914)
80.	Non-current assets and groups of assets held for sale	-	-
90.	Portion of valuation reserves of equity investments valued with the equity method	-	-
	Other comprehensive income (expense), net of income taxes, that will be reclassified to profit or loss		
100.	Hedges of foreign investments	-	-
110.	Exchange rate gains (losses)	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (non-designated elements)	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
150.	Non-current assets and groups of assets held for sale	-	-
160.	Portion of valuation reserves of equity investments valued with the equity method	-	-
170.	**Total other comprehensive income, net of income taxes**	**3,535**	**(3,914)**
180.	**Comprehensive income (Items 10+170)**	**56,700**	**214,665**

Financial Statements certified by Forvis Mazars S.p.A.
Exact copy of the 2024 Financial Statements of the subsidiary Fiduciaria Sant'Andrea S.r.l.

DB Covered Bond S.r.l.
Registered office in Conegliano (TV) - Via V. Alfieri no. 1

Statement of financial position
data in euro

Assets items	31.12.2024	31.12.2023
10. Cash and cash equivalents	49,367	51,017
100. Tax assets	298	176
a) current	298	176
120. Other assets	9,183	8,911
Total assets	**58,848**	**60,104**

Liabilities and equity items	31.12.2024	31.12.2023
60. Tax liabilities	191	191
a) current	191	191
80. Other liabilities	46,657	47,913
110. Capital	10,000	10,000
140. Share premium	2,000	2,000
170. Profit (loss) for the year	-	-
Total liabilities and equity	**58,848**	**60,104**

Income Statement
data in euro

Items	2024	2023
10. Interest and similar income	**2,021**	**1,539**
Net interest income	**2,021**	**1,539**
50. Fee and commission expense	(439)	(357)
60. Net fees and commissions	**(439)**	**(357)**
120. Total income	**1,582**	**1,182**
150. Net financial income	**1,582**	**1,182**
160. Administrative expenses:	(78,912)	(83,547)
a) personnel expenses	(12,764)	(12,147)
b) other administrative expenses	(66,148)	(71,400)
200. Other operating income and expenses	77,628	82,556
210. Operating costs	**(1,284)**	**(991)**
260. Pre-tax profit (loss) from continuing operations	**298**	**191**
270. Income taxes for the year from continuing operations	(298)	(191)
280. Post-tax profit (loss) from continuing operations	**-**	**-**
300. Profit (loss) for the year	**-**	**-**

Statement of comprehensive income
data in euro

Items		2024	2023
10.	**Profit (Loss) for the year**	-	-
	Other comprehensive income (expense), net of income taxes, that will not be reclassified to profit or loss		
20.	Equity securities designated at fair value through other comprehensive income	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
40.	Hedges of equity securities designated at fair value through other comprehensive income	-	-
50.	Property, equipment and investment property	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	-	-
80.	Non-current assets and groups of assets held for sale	-	-
90.	Portion of valuation reserves of equity investments valued with the equity method	-	-
	Other comprehensive income (expense), net of income taxes, that will be reclassified to profit or loss		
100.	Hedges of foreign investments	-	-
110.	Exchange rate gains (losses)	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (non-designated elements)	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
145.	Available-for-sale financial assets	-	-
150.	Non-current assets and groups of assets held for sale	-	-
160.	Portion of valuation reserves of equity investments valued with the equity method	-	-
170.	**Total other comprehensive income, net of income taxes**	-	-
180.	**Comprehensive income (Items 10+170)**	-	-

Financial Statements certified by Forvis Mazars S.p.A.
Exact copy of the 2024 Financial Statements of the subsidiary DB Covered Bond S.r.l.

ROCKY 2021-1 SPV S.r.l.
Registered office in Conegliano (TV) - Via V. Alfieri no. 1

Statement of financial position

Euro

	31.12.2024	31.12.2023
Statement of financial position		
Assets		
B) Fixed assets		
I - Intangible fixed assets	412	825
Total fixed assets (B)	412	825
C) Current assets		
II - Receivables		
due within the next financial year	3,199	3,361
Total receivables	3,199	3,361
IV - Cash and cash equivalents	50,685	50,696
Total current assets (C)	53,884	54,057
D) Accruals and deferrals	2,499	3,101
Total assets	56,795	57,983
Liabilities		
A) Equity		
I - Capital	10,000	10,000
VI - Other reserves	-	-
IX - Profit (Loss) for the year	-	-
Total equity	10,000	10,000
D) Liabilities		
due within the next financial year	46,547	47,577
Total payables	46,547	47,577
E) Accruals and deferrals	248	406
Total liabilities	56,795	57,983

Income Statement

Euro

	2024	2023
A) Production value		
1) revenues from sales and services	-	-
5) other revenues and income		
other	79,224	75,148
Total other revenues and income	79,224	75,148
Total production value	79,224	75,148
B) Production costs		
7) for services	79,452	75,237
10) amortisation, depreciation and write-downs		
a), b), c) amortisation and depreciation, other write-downs of fixed assets	412	412
a) amortisation of intangible fixed assets	412	412
Total amortisation, depreciation and write-downs	412	412
14) sundry management costs	486	488
Total production costs	80,350	76,137
Difference between value and costs of production (A - B)	(1,126)	(989)
C) Financial income (expense)		
16) other financial income		
d) income other than the above		
other	1,741	1,515
Total income other than the above	1,741	1,515
Total other financial income	1,741	1,515
Total financial income (expense) (15 + 16 - 17 + - 17-bis)	1,741	1,515
Profit (loss) before taxes (A - B + - C + - D)	615	526
20) Income taxes for the year, current, deferred and prepaid		
current taxes	615	526
Total current, deferred and prepaid income taxes for the year	615	526
21) Profit (Loss) for the year	-	-

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