Deutsche Bank

Annual General Meeting 2024

Compensation system

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Compensation system for the Management Board as of 2024

The compensation system for the Management Board of Deutsche Bank Aktiengesellschaft (hereinafter also referred to as "Deutsche Bank", the "Bank" or the "Company") was last approved by the Annual General Meeting in 2021 in accordance with § 120a (1) of the Stock Corporation Act (AktG). Since then, the general structure of the compensation system has proven that it works well in practice and sets appropriate incentives. At the same time, the compensation system is competitive.

Nevertheless, the Supervisory Board and, in preparation, the Compensation Control Committee of Deutsche Bank regularly review the compensation system for the Management Board members in light of market trends and investor feedback. Furthermore, the regulatory requirements of the Stock Corporation Act (AktG), the Remuneration Ordinance for Institutions (InstitutsVergV) as well as the principles and recommendations of the German Corporate Governance Code (GCGC) are taken into account.

Amendments to the compensation system were made already in 2023. As part of the review process in 2023, points were identified for further improvement, which are described in the following. These improvements are now reflected in the revised compensation system, which will be submitted to the General Meeting in May 2024 for approval with retroactive effect as of January 1, 2024.

1. Compensation principles

The compensation system and thus the assessment of individual compensation are based on the compensation principles outlined below. The Supervisory Board takes them into consideration when adopting its resolutions on the compensation system and assessing individual compensation.

Corporate strategy	Deutsche Bank aims to make a positive contribution to its clients, employees, investors and society in general by fostering economic growth and social progress. Deutsche Bank would like to offer clients solutions and provide an active contribution to foster their creation of value. This approach is also intended to ensure that the Bank is competitive and profitable and can operate on the basis of a strong capital and liquidity position. Deutsche Bank is committed to a corporate culture that appropriately aligns risks and revenues. Through the structure of the compensation system, the members of the Management Board have incentives to achieve the targets and objectives linked to the Bank's strategy, to work continually towards the long-term positive development of the Company and thereby to avoid disproportionately high risks. The compensation system for the Management Board members makes an important contribution to promoting and implementing the corporate strategy, in particular as pay is linked to relevant and demanding performance criteria for short-term and long-term variable compensation. Performance-based compensation therefore comprises the predominant portion of total compensation. The Supervisory Board thus ensures there is always a strong link between compensation and performance ("pay-for-performance").
Shareholder's interests	When designing the specific structure of the compensation system, determining individual compensation amounts and structuring the means of compensation allocation and delivery, the focus is on a close alignment of the interests of the Management Board members and shareholders. This link is established within the framework of the assessment of the Long-Term Incentive, as Deutsche Bank's shareholder return is assessed in comparison to those of a selected group of peers.

In addition, all Management Board members have an obligation to hold a significant amount of Deutsche Bank shares (Shareholding Guidelines).

Furthermore, the Long-Term Incentive (in general 60% of the target variable compensation) is granted exclusively in the form of equity-based compensation components. In addition, half of the Short-Term Incentive (in general 40% of target variable compensation) is granted in the form of equity-based compensation components.

Individual and collective objectives

The compensation structures foster both the sustainable and long-term development of each of the business divisions, infrastructure areas or regions the Management Board members are responsible for, as well as the performance of the Management Board as a collective management body.

Variable, performance-based compensation is determined on the basis of pre-defined objectives, while ensuring an appropriate balance between financial and non-financial targets. Exceptional performance is appropriately rewarded, and missed targets lead to a tangible reduction including to a full forfeiture of variable compensation for the relevant assessment period.

Individual and divisional performance is assessed on the basis of one-year objectives (Short-Term Incentive). They are disclosed retrospectively.

The collective performance of the entire Management Board is evaluated over a three-year forward-looking assessment period on the basis of long-term objectives that are the same for all Management Board members (Long-Term Incentive). They are disclosed at the beginning of the three-year assessment period.

Long-term perspective

Variable compensation is predominantly granted on a deferred basis as equity-based instruments.

The Short-Term Incentive, which accounts in general for 40% of the target variable compensation, is granted at equal amounts in cash and equity-based instruments up to an amount of 40% of the total variable compensation. While the cash component is paid out in the year following the assessment period, the equity-based instrument becomes available after an additional holding period of one year.

The Long-Term Incentive, which accounts in general for 60% of the target variable compensation and has a three-year forward-looking assessment period, is granted only in the form of equity-based compensation components that are distributed over five equal, consecutive installments, each with an additional holding period of one year. Accordingly, the full Long-Term Incentive payout amount is available for disposal after nine years.

During deferral and holding periods, deferred compensation is subject to certain performance and forfeiture conditions that – upon the occurrence of certain events – can lead to a partial or full forfeiture of the awarded variable compensation.

The total variable compensation may be reclaimed even after disbursal in response to specific individual negative contributions to results made by the Management Board member for up to two years after the expiry of the last deferral period (clawback).

Sustainability

Economic, ecological and social issues are closely integrated into Deutsche Bank's aim to advance sustainability in the financial sector and thus contribute to fostering a more environmentally, socially and financially well-governed economy.

The compensation system is therefore closely aligned to Deutsche Bank's Sustainability Strategy to provide incentives for acting accordingly, and thus it provides an important contribution to Deutsche Bank's performance. The corresponding Sustainability targets comprise environmental and social aspects as well as governance objectives.

Compensation caps

The regulations of the Capital Requirements Directive 4 (CRD 4), applicable to all European banks, limit the ratio of fixed to variable compensation generally to 1:1 (cap regulation). In other words, the amount of variable compensation must not exceed that of fixed compensation. However, lawmakers have also stipulated that shareholders may resolve to set the ratio of fixed to variable compensation to 1:2. In May 2014, the General Meeting voted to approve setting a 1:2 ratio by a majority of 91%.

	In addition, the Supervisory Board sets a maximum compensation in accordance with the requirements of § 87a (1) No. 1 of the Stock Corporation Act (AktG). This comprises all compensation components (base salary, Short-Term Incentive, Long-Term Incentive, company pension plan and fringe benefits) and amounts to €12 million uniformly for all Management Board members. The level of maximum compensation makes it possible to recruit and reward the best national and international personnel for management, while also taking into account the Bank's diverse global business model.
Transparency	The specific application of the compensation system is clearly and understandably described each year in the Compensation Report. This enables shareholders and other stakeholders to gain an understanding of how the compensation system for the Management Board members contributes to fostering the implementation of the strategy and the long-term sustainable development of the Company as well as how the actual compensation for the financial year corresponds to the underlying performance criteria. The compensation system facilitates providing a high degree of transparency for shareholders. Against this backdrop, the Supervisory Board made a commitment to disclose the long-term objectives and target values of the variable compensation before the start of each respective assessment period.
Appropriateness	The amounts of base salary and variable compensation are appropriate in light of both a horizontal and a vertical comparison. The horizontal comparison is conducted on the basis of the relevant peer groups; their composition is disclosed in the Compensation Report. The vertical comparison entails an examination of the relationship between Management Board compensation and the compensation of the workforce in general and over time in particular. Furthermore, within the framework of the InstitutsVergV, the affordability of the total amount of annual variable compensation is determined based on key profitability, solvency and liquidity figures.
Governance	The structuring of the compensation system and the resulting assessment to determine the individual compensation takes place within the framework of the statutory and regulatory requirements. In particular, the Supervisory Board's objective is to offer, within the boundaries of applicable regulatory requirements, the Management Board members a compensation package that is commensurate with the scope of the Management Board member's responsibilities and is competitive and in line with best practices in the market. This is to ensure that the best managers can be recruited and retained.

These compensation principles were decisive for the Supervisory Board in reviewing the previous compensation system, identifying the need for adjustments and carrying out the adjustments. The Supervisory Board also took into account how the individual elements of compensation have proven themselves in practice.

2. Changes compared to the previous compensation system

The Supervisory Board continuously reviews and strives to evolve the compensation system and, in this context, decided to make selective adjustments. The guiding principle of the Supervisory Board was to simplify the compensation system, to further increase transparency and to better align financial targets and Management Board incentives, while also taking shareholders' feedback into account for a stronger orientation on current best practices in the market. The main changes compared to the previous compensation system and the rationale behind these amendments are described in the following.

2.1 Forward-looking assessment period for the Long-Term Incentive (LTI)

A forward-looking assessment period will now be used for the performance measurement of the Long-Term Incentive (LTI). Furthermore, in contrast to the previous compensation system, which stipulated different weightings for each financial year, the target achievement will be determined after three financial years. As a result, the Supervisory Board will set objectives and their target values for three years. This fosters a long-term focus and thus the sustainable development of the Company. In the previous compensation system, the collective objectives of the Long-Term Award (LTA) were assessed over a period of three years. Thereby, the current financial year was weighted at 60%. The two previous years were weighted at 30% and 10%, respectively.

2.2 Reduction of complexity

The Supervisory Board implemented two changes to significantly reduce the overall complexity of the compensation system and thus increase transparency in the Compensation Report:

- The complexity of variable compensation has been simplified by reducing the number of Key Performance Indicators (KPIs) from approximately 70 to around only 8, thus enhancing transparency in the related disclosures. In the Short-Term Incentive (STI), a minimum of three and a maximum of five objectives for measuring individual and divisional performance will be set and disclosed retrospectively. These STI objectives can be categorized into “Financial”, “Sustainability” and “Individual”, always ensuring a balance of financial and non-financial, quantitative and qualitative objectives. Previously, three to four individual objectives were applied, plus an additional behavior objective as well as a complex balanced scorecard system with a large number of KPIs.

- The new LTI also provides for a lower number of objectives compared to the previous system and these are disclosed in advance. The objectives of the LTI are reflected by the Group financials (e.g., Return on Tangible Equity (RoTE) and Total Book Value Per Share (TBVPS)), Relative Total Shareholder Return (RTSR) and Sustainability / Environmental, Social and Governance (ESG) objectives of Deutsche Bank and its subsidiaries (hereinafter also referred to as “the Group“ or “Deutsche Bank Group”).

- In the previous compensation system, the underlying scheme for deferral and holding periods was perceived as complex. Going forward, half of the STI will be paid out directly after the one-year assessment period in cash and the other half is granted as equity-based instruments with an additional holding period of one year. As a result, the system is less complex. The new disbursal structure is in line with U.S. and European bank practices and will support the bank in competing for and recruiting the best talents. The LTI is fully comprised of equity-based instruments and is distributed, starting one year after the three-year assessment period, through five equal, consecutive installments, each with an additional holding period of one year. In total, the full LTI payout amount will be available for disposal after nine years. The Supervisory Board is confident that the new scheme for deferral and holding periods is significantly simpler and more comprehensible, while also fulfilling the regulatory requirements of the InstitutsVergV. Total variable compensation will continue to be granted predominantly in deferred form, to ensure the sustainability of earnings within the framework of the business and risk strategies. Furthermore, total variable compensation will continue to be granted predominantly as equity-based instruments, to achieve an even stronger alignment of the Management Board members’ compensation to the Bank’s performance and its share price.

2.3 Increase of pay-for-performance alignment

The new compensation system addresses shareholders’ concerns regarding the design of the previous target achievement curve for the Relative Total Shareholder Return (RTSR) in the long-term component, which measures the Total Shareholder Return (TSR) of the Deutsche Bank share in relation to the average TSR of a selected peer group.

In line with the market practices of international banks and to further strengthen the pay-for-performance alignment of Deutsche Bank’s compensation, the target achievement for the RTSR will be assessed going forward based on Deutsche Bank’s percentile rank compared to the individual companies in the peer group. According to the new method, the award starts at a target achievement of 50% once the percentile rank of Deutsche Bank is at the median, i.e., Deutsche Bank must outperform 50% of the companies in the peer group. A target achievement of 100% is defined as reaching the 70th percentile, which, in the current peer group of ten international banks, corresponds to achieving rank 4 in terms of TSR performance. Only ranks 1 and 2 allow for a payout at the upper limit of 150% target achievement. The more ambitious achievement curve reflects shareholders’ interests more consistently and to a higher degree.

2.4 Increase in market alignment

To increase market alignment and harmonize further contractual agreements of the Management Board members' compensation, changes have been made in the pension plan, Shareholding Guidelines and severance benefits.

- Pension plan: With regard to the former pension plan, a simple cash allowance model will be introduced for newly appointed members of the Management Board. The cash allowance will paid out directly in a lump sum once a year. This avoids interest rate and biometric risks in financing a pension entitlement as well as the administrative expenses associated with this for Deutsche Bank. In addition, the annual pension allowance for a newly appointed ordinary Management Board member will be 30% lower than the pension contribution currently granted.

- Shareholding Guidelines: Furthermore, in line with current market practice, a build-up phase of four years will be introduced for the obligation under the Shareholding Guidelines.

- Severance payments: In line with German market practice as well as recommendation G.13 of the German Corporate Governance Code (GCGC), severance payments are currently limited to two times the annual total compensation and are not paid beyond the remaining term of the service contract (severance cap). The severance cap will be reduced to a maximum of two years' base salary for newly appointed members of the Management Board. In addition, the waiting allowance (*Karenzentschädigung*) for the duration of the subsequent non-competition period will be lowered from 65% of the annual base salary to 50% of the annual base salary.

2.5 Overview of the changes

The following table provides an overview of the changes to the compensation system applicable with effect from financial year 2024 compared to the previous compensation system.

	Old	New
Short-Term component	– High number of STA objectives – 3 to 7 individual objectives – Balanced Scorecards (large number of KPIs) – Annual Priorities	– Max. 5 STI objectives with balanced weightings between financial and non-financial objectives (disclosed retrospectively) – Financial – Sustainability – Individual
Short-Term component	– Full disposal over STA after 9 years – Payout in cash – Distributed over 4 installments every two years after the assessment period	– Full disposal over STI after 2 years – 50% in cash after the assessment period – 50% equity-based after the assessment period with an additional holding period of 1 year
Long-Term component	– 5 LTA objectives – 25% Group financials (RoTE, CIR, CET1) – 15% RTSR – 20% ESG objectives	– 4 LTI objectives with flexible weightings (disclosed in advance) – Group financials (e.g., RoTE, TBVPS) – RTSR – Sustainability / ESG objective
Long-Term component	– Retrospective performance assessment – 60% weighting of the current financial year – 30% weighting of the previous financial year – 10% weighting of the year prior to the previous financial year	– Forward-looking performance assessment – Equal weightings of the current financial year and the two following financial years – Target achievement determined after three financial years
Long-Term component	– Full disposal over LTA after 9 years – Delivered in shares – Distributed over four equal, consecutive installments, starting two years after the retrospective three-year assessment period.	– Full disposal over LTI after 9 years – Delivered as equity-based instruments – Distributed over five equal, consecutive installments, starting one year after the forward-looking three-year assessment period,

	Each with an additional holding period of one year	each with an additional holding period of one year
	– RTSR measures the TSR of Deutsche Bank compared to the average TSRs of a selected peer group ("outperformance method") – 0% target achievement if the TSR of Deutsche Bank is 40% below the peer group – 60% target achievement if the TSR of Deutsche Bank is 20% below the peer group – 100% target achievement if the TSR of Deutsche Bank is equal to the peer group – 150% target achievement if the TSR of Deutsche Bank is 50% above the peer group	– RTSR measures the TSR of Deutsche Bank compared to the companies of a selected peer group ("ranking method") – 0% target achievement if the TSR of Deutsche Bank ranks below the median – 50% target achievement if the TSR of Deutsche Bank ranks at the median – 100% target achievement if the TSR of Deutsche Bank ranks is in the 70th percentile – 150% target achievement if the TSR of Deutsche Bank ranks is in the 90th percentile
Pension	– Defined contribution system – Annual contribution of EUR 650,000 p.a. – Interest accrues at an average rate of 2% p.a., 4% p.a. for legacy entitlements	– Pension allowance in cash for new Management Board members – Management Board Chairperson (CEO): €650,000 p.a. – Other Management Board members: €450,000 p.a.
Shareholding Guidelines	– No pre-defined build-up phase – based on pre-defined threshold – Number of shares to be held amounts to two times the annual gross base salary for the Management Board Chairperson (CEO) and one time the annual gross base salary for other Management Board members – Holding period for the duration of the appointment	– Fixed build-up phase of 4 years – Number of shares to be held amounts to two times the annual gross base salary for the Management Board Chairperson (CEO) and one time the annual gross base salary for other Management Board members – Holding period for the duration of the appointment
Termination benefits	– Severance payments are limited to two times the annual total compensation – Waiting allowance (*Karenzentschädigung*) for the duration of the subsequent non-competition period equivalent to 65% of the annual base salary	– Severance payments are limited to two times the annual total compensation. Further reduction of the severance cap to a maximum of two years' base salary for newly appointed members of the Management Board – Waiting allowance (*Karenzentschädigung*) for the duration of the subsequent non-competition period equivalent to 50% of the annual base salary

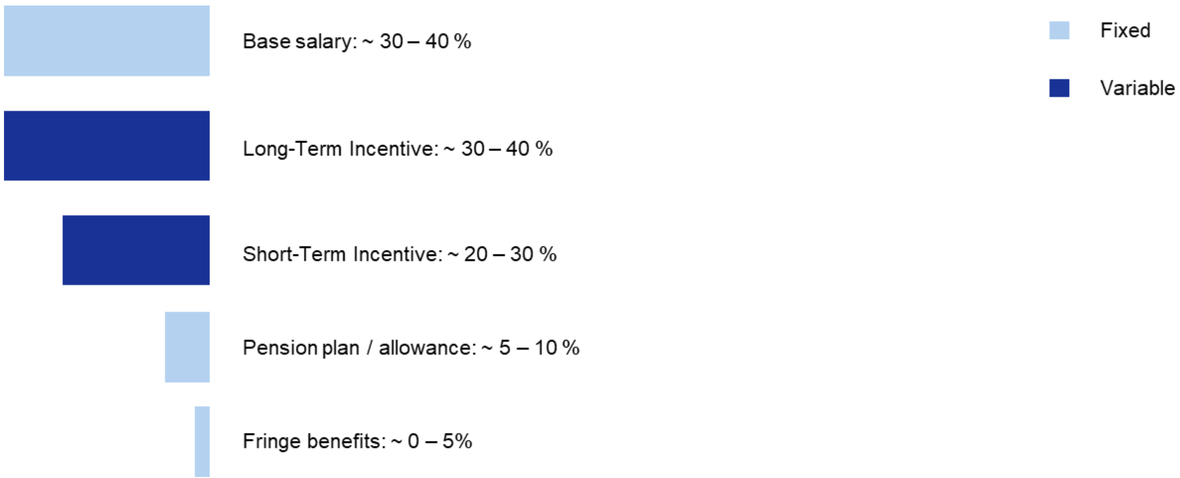
3. Total compensation and compensation components

3.1 Compensation components and structure

The compensation system consists of non-performance-related (fixed) and performance-related (variable) components. The fixed compensation and variable compensation together form the total compensation for a Management Board member. The fixed compensation consists of the base salary, contributions to the company pension plan or pension allowances and fringe benefits. The variable compensation consists of a short-term component, called the Short-Term Incentive (STI) and a long-term component, called Long-Term Incentive (LTI). In addition, further contractual agreements are defined in the compensation system.

The Supervisory Board sets a target compensation for each Management Board member. In accordance with the recommendation of the German Corporate Governance Code (GCGC), the Supervisory Board also determines the ratio of fixed compensation to variable compensation as well as the ratio of short to long-term variable compensation.

In this way, the Supervisory Board ensures that performance-based compensation, which is linked to achieving long-term targets, exceeds the portion of short-term targets. The possible ranges of the relative share of each component are as follows (assumed target achievement level of 100% for variable compensation):



3.2 Compensation caps

The compensation levels of the Management Board members are limited in several ways – through a limit on the total compensation as well as on each variable compensation component and by setting a maximum ratio of fixed compensation to variable compensation.

3.2.1 Cap on total compensation (maximum compensation)

In accordance with § 87a (1) sentence 2 No. 1 of the Stock Corporation Act (AktG), the Supervisory Board set a maximum limit (maximum compensation) amounting to €12 million for all Management Board members. This cap comprises not only the base salary, Short-Term Incentive (STI) and Long-Term Incentive (LTI), but also the pension service costs for the company pension plan or pension allowances and fringe benefits. The pension service costs and expenses for fringe benefits vary in their annual amounts. The level of maximum compensation allows the Bank to recruit the best national and international personnel for management and to pay them adequately, while also taking into account the Bank's broad and international business model.

3.2.2 Cap on variable compensation

The Supervisory Board set a uniform limit of 150% for the maximum possible level of target achievement for long-term and short-term objectives. Thus, the total variable compensation is capped at a maximum of 150% of the target variable compensation.

Pursuant to Capital Requirements Directive 4 (CRD 4), the ratio of fixed to variable compensation is generally limited to 1:1 (cap regulation), i.e., the amount of variable compensation must not exceed that of fixed compensation. However, the law also provides the possibility to increase the ratio to 1:2. In May 2014, the General Meeting made use of this possibility and increased the ratio accordingly.

3.3 Non-performance related components (fixed compensation)

Fixed compensation is not linked to performance and comprises the base salary, contributions to the pension plan or pension allowance as well as fringe benefits.

3.3.1 Base salary

Various factors are considered when determining an appropriate level for the base salary. First, the base salary compensates the general acceptance of the mandate as a Management Board member and the related overall responsibility of the individual Management Board members. In addition, the compensation customary in the market is taken into account when determining the compensation amounts. Regulatory requirements that limit the ratio of fixed to variable compensation must also be considered when setting the base salary.

Accordingly, the fixed compensation is determined in a way that takes these requirements into consideration while also ensuring competitive total compensation in line with market standards.

3.3.2 Pension Allowance / Company pension plan (legacy)

Instead of a company pension, the Supervisory Board grants a pension allowance in cash to newly appointed Management Board members. The pension allowance is paid out directly in a lump sum once a year. This avoids interest-rate and biometric risks in financing a pension entitlement as well as the administrative procedures associated with this for Deutsche Bank. The annual amount of the pension allowance for a newly appointed ordinary Management Board member is 30% lower than the legacy pension contribution.

Members of the Management Board appointed before the financial year 2024 continue to receive the company pension in the form of a defined contribution pension plan (legacy plan). They receive a uniform, contractually defined, fixed annual contribution amount. The contribution accrues interest, credited in advance and determined by means of an age-related factor, at an average rate of 2% per year up to the end of 60 years of age. From the age of 61 onwards, an additional contribution in the amount of 2% per year of the amount accrued as of December 31 of the previous year will be credited to the pension account. The annual contributions, taken together, form the pension capital amount available to pay the future pension benefits upon a pension event (retirement age, disability, or death). The pension account balance is vested from the start.

3.3.3 Fringe benefits

All Management Board members are granted annually recurring fringe benefits. They comprise the monetary value of non-cash benefits such as company car and driver services, insurance premiums and expenses for company-related social functions, including payments, if applicable, of taxes on these benefits as well as taxable reimbursements of expenses. If the Management Board member does not have his or her principal place of work at the Head Office in Frankfurt, additional benefits may be approved by the Supervisory Board, e.g., a housing allowance to cover customary rental expenses. Finally, ad hoc benefits, in particular upon the initial appointment of a Management Board member, may be granted, such as security measures for a private residence or benefits in connection with relocating the place of residence to Frankfurt.

In connection with the appointment of external executives as members of the Management Board, benefits may be granted to compensate for the forfeiture of benefits from the previous employer – in particular, outstanding variable compensation that is forfeited upon joining Deutsche Bank. The Supervisory Board decides in what form the compensation is granted. Such one-time compensation benefits are disclosed and explained separately in the Compensation Report.

3.4 Performance-related components (variable compensation)

Deutsche Bank aims to enable economic growth and social progress and thus generate a positive impact for its clients, employees, investors, and society in general. Clients are to be offered solutions, while making an active contribution to their creation of added value. At the same time, this is intended to ensure that the Bank is competitive and profitable and can operate on the basis of a strong capital and liquidity position. Deutsche Bank is committed to a corporate culture that appropriately aligns risks and revenues.

The compensation system makes an important contribution to promoting and implementing the corporate strategy, in particular by linking pay to relevant and demanding performance criteria for short-term and long-term variable compensation. Profitability-based and performance-based compensation therefore comprises the predominant portion of total compensation.

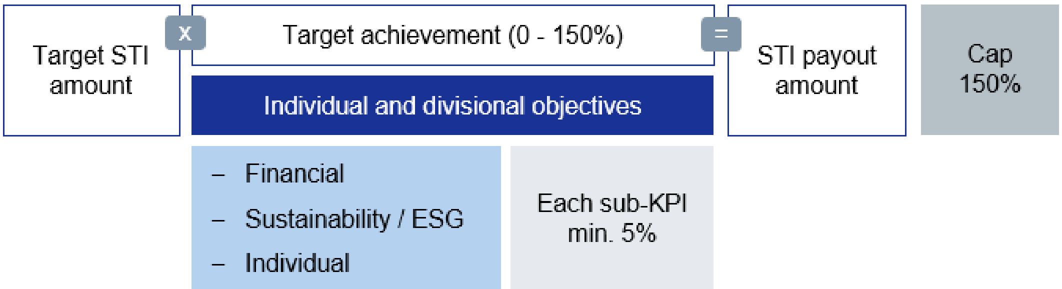
The compensation system ensures that variable compensation is linked to pre-defined, transparent performance criteria. The close connection of compensation to the Company's business and risk strategy is established, as a first step, through the agreement of objectives that are derived from the strategy and support its implementation. In a second step, the achievement level is set for each of the individual objectives based on previously defined, clear key figures and evaluation parameters that are closely aligned to the performance of Deutsche Bank and that contribute together to this performance in an appropriate manner.

The compensation system also provides for the agreement of a balanced set of not only individual and divisional objectives, but also collective objectives that are to be achieved, in each case, of a financial and non-financial nature.

Performance-based variable compensation consists of a short-term component, the Short-Term Incentive (STI), and a long-term component, the Long-Term Incentive (LTI). The long-term component accounts in general for a uniform 60% of the total target variable compensation and the short-term component accounts in general for 40%. The maximum level of target achievement for both the STI and LTI is set at 150%.

3.4.1 Short-Term Incentive (STI)

The STI is linked to the achievement of short-term and medium-term individual and business division-related objectives. The STI objectives are set to support the Bank's business policy and strategic objectives in accordance with the Bank's business and risk strategy. They take into account the areas and/or business divisions the individual Management Board member is responsible for. The STI is comprised of a maximum of five divisional and individual objectives including financial, sustainability and personal targets. The minimum weight for each objective is in principle 5%. The actual STI payout amount depends on the overall target achievement of the objectives multiplied by the STI target amount and can range between 0% and 150% of the individual target amount.



Before the beginning of the financial year, the Supervisory Board sets the objectives individually for each member of the Management Board, the weightings of these in relation to one another and all the relevant parameters for their evaluation. Thereby, the Supervisory Board ensures a balanced mix of financial and non-financial objectives. The objectives are selected in such a way that they are demanding, ambitious and specified concretely enough to enable a clear measurement of the target achievement level. Together with each individual objective, concrete measurement methods and target values are also specified at the beginning of the year. Based on this, the target achievement level is determined at the end of the assessment period for each objective.

When selecting the individual objectives, the Supervisory Board uses the following exemplary categories as orientation:

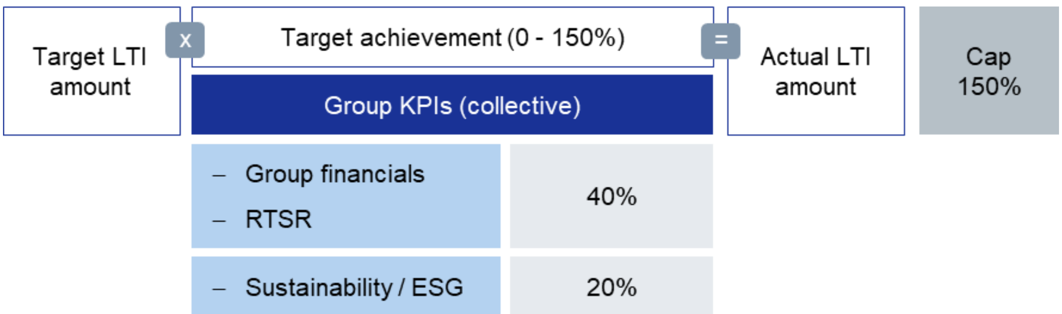
Corporate strategy	Corporate governance	Businesses & regions	Customer satisfaction
Sustainability (ESG)	Capital markets stakeholders	Transformation activities	Risk management
Digitalization & innovation	Compliance	Market share	Remediation activities / controls
Efficiency & automation	Financial liquidity & planning	Regulation & authorities	Integrity, conduct & culture

To avoid competitive disadvantages, the concrete objectives, their weightings, their target values as well as the resulting target achievement levels are disclosed retrospectively in transparent form in the Compensation Report.

3.4.2 Long-Term Incentive (LTI)

When determining the variable compensation, the focus is set on the achievement of long-term objectives linked to the strategy. For the LTI, the Supervisory Board specifies collective long-term objectives for the Management Board members, each assessed over a period of three years.

The objectives of the LTI are composed of Group financials (e.g., Return on Tangible Equity (RoTE), Tangible Book Value Per Share (TBVPS) – average annual growth, Relative Total Shareholder Return (RTSR) and Sustainability goals. The weighting of the respective objectives is 40% for the Group financials und RTSR and 20% for Sustainability. The actual LTI payout amount depends on the overall target achievement multiplied by the LTI target amount and can range between 0% and 150% of the individual target amount.



In the previous compensation system, the collective objectives of the Long-Term Award were assessed over a period of three years. Thereby, the current financial year was weighted at 60%. The two previous years were weighted at 30% and 10%, respectively. To reflect the feedback of shareholders, a forward-looking assessment period will be used instead for the performance measurement of the future LTI. Furthermore, in contrast to the previous compensation system which stipulated different weightings for each financial year, the target achievement is to be determined after three financial years. As a result, the Supervisory Board sets the objectives and their respective target values for three years in advance rather than for one year. This fosters a long-term focus and thus the sustainable development of the Company.

The system change results in a transition period of 2 years due to the fact that the previous compensation system would have taken into account the achievement level of the 2023 Long-Term Award by 30% in 2024 and 10% in 2025. Therefore, in the first two years following the introduction of the new system, the Supervisory Board retains the possibility to appropriately take into consideration the achievement levels of the Long-Term Award 2023 and Long-Term Award 2022 in the final determination of the achievement level for the Long-Term Incentive 2024-2026 as well as the achievement level of the Long-Term Award 2023 in the final determination of the level of achievement for the Long-Term Incentive 2025-2027.

As the three-year assessment period for the Long-Term Incentive (LTI) represents a change from a retrospective to a forward-looking period, the granting of the equity-based compensation takes place two years later compared to the previous compensation system. In order to align the Management Board compensation with the share performance of the Deutsche Bank share and therefore with the shareholders' interests, the Supervisory Board has the possibility to convert the target euro amount for the LTI into virtual share units already after the first performance assessment year (not constituting a grant of compensation at this stage). After the three-year performance assessment period, the number of virtual share units will then be increased or reduced according to the achievement level determined for the LTI.

Group Financials

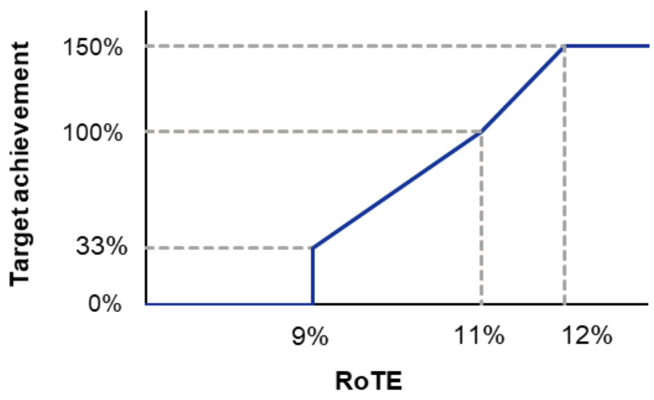
Group financial objectives are crucial metrics to assess the overall financial success and performance of Deutsche Bank. The consideration of Group financial objectives in the LTI allows the Supervisory Board to establish a direct link between the performance of the Management Board and the financial results of the Company. These objectives serve as clear performance indicators reflecting Deutsche Bank's business goals and strategies. By tying the compensation to these measurable financial metrics, the Supervisory Board promotes a culture of performance and accountability. Due to these objectives an incentive is created to act in a manner that maximizes value for all stakeholders and supports the long-term growth and stability of the business.

The concrete financial objectives, their weighting, their target values (including lower and upper limits) are disclosed below and the resulting target achievement levels are disclosed in transparent form in the Compensation Report.

For the 2024-2026 Long-Term Incentive (LTI) plan, the financial objectives post-tax Return on average Tangible shareholders' Equity (RoTE) and Tangible Book Value Per Share (TBVPS) were chosen by the Supervisory Board:

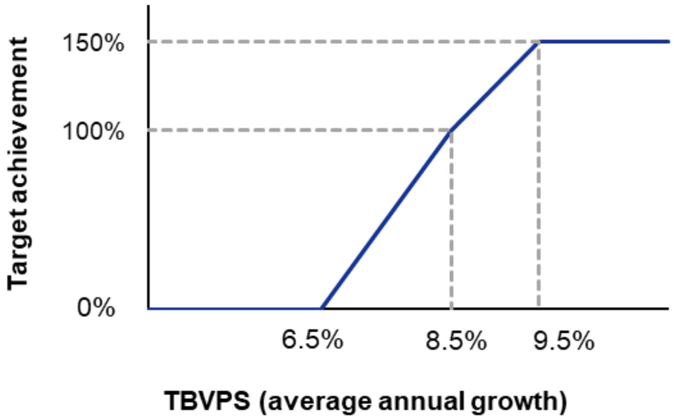
The **post-tax Return on average Tangible shareholders' Equity (RoTE)** measures the profit (or loss) attributable to Deutsche Bank shareholders as a percentage of average tangible shareholders' equity. The latter is determined by deducting goodwill and other intangible assets from shareholders' equity. It measures the theoretical earnings generated for Deutsche Bank shareholders and is used to create an incentive for an efficient use of equity. Return measured by tangible shareholders' equity capital is appropriate and common practice for banks and should make comparisons to competitors easier. The relevant RoTE metric is disclosed in the Non-GAAP Financial Measures section of DB's Annual Report and the quarterly Financial Data Supplement (FDS).

The target achievement is 33% when the RoTE for the 2026 financial year is at 9%. A RoTE below 9% results in a target achievement of 0%. 100% target achievement is reached when the RoTE for the 2026 financial year is at 11%. 150% target achievement is reached when the RoTE for the 2026 financial year is at 12%. Target achievement levels between these points are determined by linear interpolation.



The **Tangible Book Value Per Share outstanding (TBVPS)** represents the Bank's total shareholders' equity less goodwill and other intangible assets divided by period-end basic shares outstanding. It measures the growth (in %) of the equity of the company per share. It complements RoTE by considering equity changes apart from net income which are equally relevant for capital distributions. The metrics Tangible Book Value Per Basic Share outstanding is disclosed in the Non-GAAP Financial Measures section of DB's Annual Report and the quarterly Financial Data Supplement (FDS).

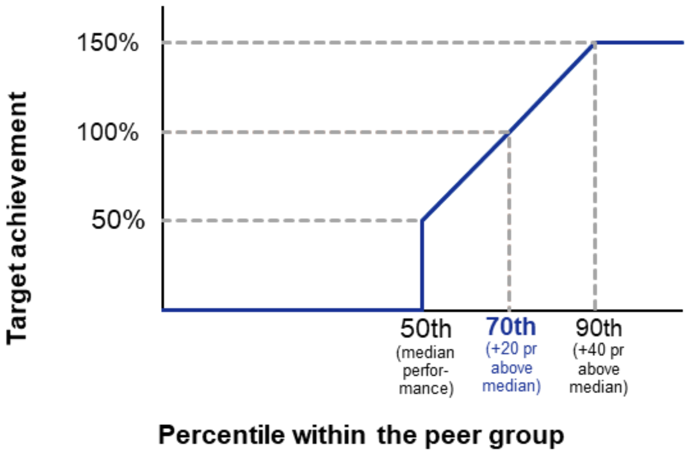
The starting point for the calculation of the average TBVPS is the TBVPS on December 31of the financial year preceding the beginning of the assessment period. The target achievement is 0% when the average annual TBVPS growth over the three-year period is at or below 6.5%. 100% target achievement is reached when the average annual TBVPS growth is at 8.5%, with the target achievement increasing linearly between 0% and 100%. 150% target achievement is reached when the annual TBVPS growth is at 9.5. Target achievement levels between these points are determined by linear interpolation. Foreign exchange movements within the TBVPS versus the starting point are neutralized for the calculation of the growth rate.



Relative Total Shareholder Return

The Relative Total Shareholder Return (RTSR) for the Deutsche Bank share in comparison to selected financial institutions is intended as a further objective to continue fostering the sustainable shareholder return of the Deutsche Bank share. The RTSR objective serves to align the interests of the Management Board and shareholders more closely. In addition, the RTSR provides for a relative performance measurement, creating an incentive to outperform relevant competitors.

In order to determine the RTSR, the absolute total shareholder return (TRS) of Deutsche Bank and each company in the selected peer group is first calculated on the basis of the average values for the fourth quarter of the year before the start of the assessment period and the fourth quarter at the end of the three-year assessment period. The absolute TSR of each company equals its share price performance plus theoretically reinvested gross dividends. The assessment period in this context covers three years. The target achievement for the RTSR is assessed based on Deutsche Bank's percentile rank compared to the individual companies in the selected peer group. The payout starts at a target achievement level of 50% when the percentile rank of Deutsche Bank is at the median, i.e., Deutsche Bank must outperform 50% of the companies in the peer group. A target achievement of 100% is defined as reaching the 70th percentile, which, in the current peer group of ten international banks, corresponds to achieving rank 4 in terms of TSR performance. Only the 90th percentile, i.e., ranks 1 and 2 enables a payout at the upper limit of 150% target achievement. Target achievement levels between these points are determined by linear interpolation.



The peer group used for calculating the RTSR is selected from companies with generally comparable business activities as well as a comparable size and international presence. The Supervisory Board reviews the composition of the peer group regularly. For the year 2024, the peer group for the RTSR comprises the following banks:

Banco Santander	Bank of America	Barclays	BNP Paribas	Citigroup
HSBC	JP Morgan Chase	Société Générale	UBS	Unicredit

Sustainability / Environmental, Social and Governance (ESG) objectives

Deutsche Bank strives to make a contribution to an environmentally friendly, socially inclusive and well-governed corporate landscape as well as to support its clients in their green transformation. Not only the advisory services and products but also the working environment and culture at Deutsche Bank should build on this commitment.

Within the framework of its sustainability strategy, Deutsche Bank therefore set itself ambitious targets and presented them at its 2nd Sustainability Deep Dive in March 2023 as well as in its initial Transition Plan, published in October 2023.

Before the start of each Long-Term Incentive (LTI) assessment period, the Supervisory Board sets measurable and quantifiable Sustainability targets that originate from environmentally, socially or governmentally relevant categories. The Supervisory Board generally chooses between one and three Sustainability targets for the assessment period that are derived from the corporate strategy and are relevant for supporting its implementation. If multiple Sustainability targets are selected, the Supervisory Board determines their respective weightings before the start of the assessment period.

Sustainability / Environmental, Social and Governance (ESG) targets may be derived from the examples specified below. However, this list is not exhaustive, but rather intended to serve an illustrative purpose.

Environment	Social	Governance
Sustainable Finance Volume	Diversity, Equity and Inclusion	Data Security and Responsibility
Transition to Net Zero	Corporate Culture	Risk Management
Transition of Own Operations	Corporate Social Responsibility	Succession Planning
Nature Protection	Employment Conditions and Compensation Practices	Compliance and Conduct
ESG Ratings	Human Rights	Corporate Governance
	Integrity	Policies, Frameworks and Controls
		Anti-Financial Crime

The concrete Sustainability objectives, their weightings, their target values (including lower and upper limits) are disclosed below, and the resulting target achievement levels will be disclosed in transparent form in the Compensation Report.

Fully transparent reporting of long-term variable compensation

As the new compensation system represents a strong alignment of interests between the Management Board members and shareholders of Deutsche Bank and allows for a high degree of transparency, the Supervisory Board made a commitment to disclose the long-term objectives and target values of each Long-Term Incentive (LTI) before the start of the respective assessment period. The concrete objectives, weightings, and target values (including lower and upper limits) for the Long-Term Incentive (LTI) 2024-2026 are as follows:

Long-Term Incentive KPI*	Weigh-ting	Definition/Comment	Lower Limit (0%)	Target (100%)	Upper Limit (150%)
Group Financials	*25%*				
RoTE	15%	Return on Tangible Equity by end of 2026	< 9 % At 9%: 33% achievement	11%	12%
TBVPS	10%	Tangible Book Value Per Share – average annual growth (excl. foreign exchange) 2024-2026	≤ 6,5%	8,5%	9,5%
RTSR	*15%*				
RTSR	15%	Ranking of Deutschen Bank vs. Peer Group by end of 2026	< median At median: 50% achievement	70th percentile	90th percentile
ESG	*20%*				
Environ-mental	8%	Driving climate risk management – measures MB against agreed KPIs linked to reduction targets for disclosed carbon intensive sectors in line with published pathways to net zero Achievement is calculated as 'Average of 2025-2026'	≤ 50% of pre-defined data points of set reduction targets for carbon intense industry sectors meet threshold	70% of pre-defined data points of set reduction targets for carbon intense industry sectors meet threshold	85% of pre-defined data points of set reduction targets for carbon intense industry sectors meet threshold
Social	4%	Gender Diversity (MB -1, MB -2) by end of 2026	≤ 30%	32,5%	35%
Governance	8%	Control Risk Management Grade by end of 2026	≤ 1,5	3	5
		Anti-Money- Laundering / Know-Your-Client Remediation Activities by end of 2026	0%	100%	150%

* Calculation between Lower Limit and Target as well as Target and Upper Limit is a linear straight line.

For future LTI plans, the concrete objectives, their weightings, their target values (incl. lower and upper limits) as well as the resulting target achievement levels will be disclosed in transparent form in the outlook of the Compensation Report.

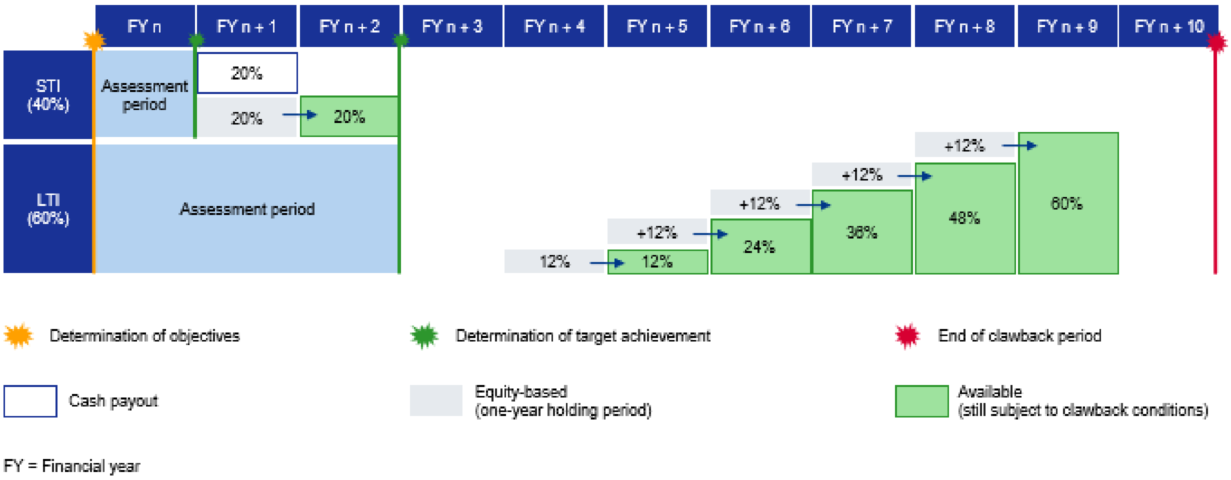
3.4.3 Granting of variable compensation and ensuring sustainability

Since 2014, total variable compensation is granted predominantly in deferred form in order to ensure the sustainability of earnings within the framework of the business and risk strategies.

Assessment period and deferral period

The InstitutsVergV generally stipulates a three-year assessment period for the determination of the variable compensation for management board members. The Bank complies with this requirement by assessing each of the objectives of the Long-Term Incentive (LTI) over a three-year period. In addition, variable compensation is granted predominantly as equity-based instruments to achieve an even stronger alignment of the Management Board members' compensation to the Bank's performance and its share price. After vesting, the equity-based instruments are also subject to an additional holding period of one year. Accordingly, the Management Board members are not permitted to fully dispose of the equity-based instruments until the respective holding period has ended. During the deferral and holding period, the value of the equity-based instruments is linked to the performance of the Deutsche Bank share and is therefore tied to the sustained performance of the Bank.

Half of the Short-Term Incentive (STI) is paid out directly after the one-year assessment period in cash and the other half is granted as equity-based instruments with an additional holding period of one year. The Long-Term Incentive (LTI) is fully in the form of equity-based instruments that are distributed, starting one year after the three-year assessment period, through five equal, consecutive installments, each with an additional holding period of one year. In total, the full LTI payout amount is available for disposal after nine years. The following chart illustrates the assessment and deferral periods up to the end of the clawback period:



Performance and forfeiture conditions, claim to repayment (backtesting, malus, clawback)

The granting of compensation components on a deferred basis and spreading them out over several years creates a long-term incentive effect, as specific forfeiture conditions apply in each case until they vest.

To this end, the Supervisory Board regularly reviews the results achieved in the past for their sustainability (backtesting). If the outcome is that the results rewarded by the granting of the variable compensation were not sustainable, the awards may be partially or fully forfeited.

Also, if the Group's results are negative, already granted variable compensation may be declared fully or partially forfeited during the deferral period. In addition, awards may be fully or partially forfeited if specific solvency or liquidity conditions were not met. Furthermore, awards may be forfeited in whole or in part in the event of individual misconduct (including breaches of regulations), dismissal for cause or negative individual contributions to performance (malus).

On top of this, the contracts of the Management Board members also enable the Supervisory Board to reclaim already paid or delivered compensation components in response to specific individual negative performance contributions made by the Management Board member for up to two years after the expiry of the last deferral period (clawback) in accordance with the provisions pursuant to § 18 (5) and § 20 (6) InstitutsVergV. The clawback is possible for the entire variable compensation for a financial year until the end of two years after the end of the deferral period of the last tranche of the compensation elements awarded on a deferred basis for the respective financial year.

3.4.4 No discretionary special payments

The Supervisory Board is not authorized to grant members of the Management Board discretionary or discretion-based special payments.

4. Compensation-related transactions

Term of Management Board service contracts

The term of the Management Board service contracts is linked to the period of appointment, with a maximum term of five years pursuant to the provisions of § 84 of the Stock Corporation Act (AktG). The Supervisory Board shall decide at an early stage, no later than six months before the expiry of the appointment period, on a renewed appointment. In the case of the Management Board member's reappointment, the service contract is extended for the term of a renewed appointment.

For first-time appointments, an appointment period and consequently a contract term of three years is not to be exceeded. The Management Board service contract ends automatically with the expiry of the appointment period without requiring the express notice of termination.

Benefits in the case of termination of Management Board service

The Management Board members are in principle entitled to receive a severance payment upon an early termination of their appointment, provided the Bank is not entitled to revoke the appointment or give notice under the contractual agreement for cause. In line with German market practice as well as recommendation G.13 of the German Corporate Governance Code (GCGC), severance payments are currently limited to two times the annual total compensation and are not paid beyond the remaining term of the service contract (severance cap). Considering feedback from investors and other stakeholders, the Supervisory Board will reduce the severance cap to a maximum of two years' base salary for newly appointed members of the Management Board. The severance payment is determined and granted in accordance with the statutory and regulatory requirements, in particular with the recommendations of the GCGC and provisions of the InstitutsVergV.

Departure in connection with a Change of Control (CoC)

In the event of a change of control, Management Board members have a special termination right for their service contract. However, there is no entitlement to a severance payment.

Offsetting of compensation from mandates

The service contracts of the Management Board members contain an obligation of the members to ensure that any compensation they may claim in their capacity as a member of any body, in particular a supervisory board, advisory board or similar body of any Group entity of the Bank pursuant to § 18 of the Stock Corporation Act (AktG) will not accrue to them. Accordingly, Management Board members do not receive any compensation for mandates on boards of Deutsche Bank subsidiaries.

50% of the compensation from a mandate – in particular, supervisory board or advisory board mandates – with a company that does not belong to Deutsche Bank Group is offset against the base salary. There is no offsetting of compensation that does not exceed €100,000 per mandate and calendar year.

Subsequent non-competition provision

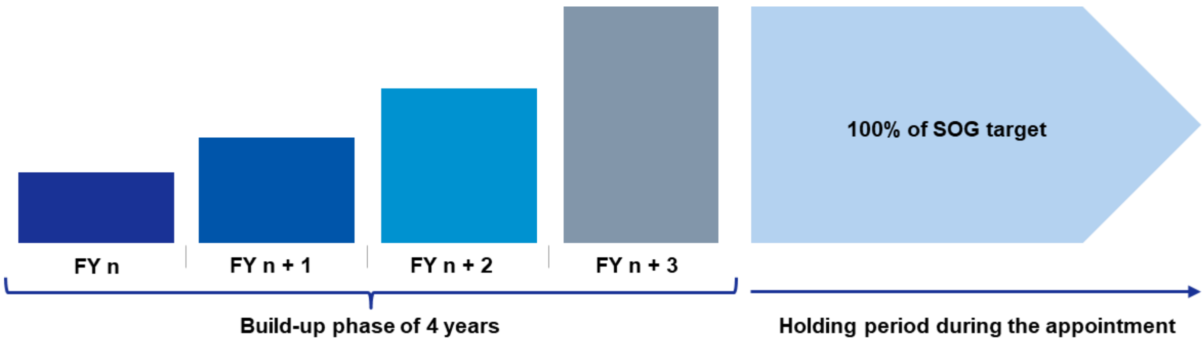
After their departure from the Management Board, the members are subject in principle to a one-year non-competition provision. In this case, the Company pays the Management Board member compensation (waiting allowance (*Karenzentschädigung*) amounting to 65% of the individual annual base salary for the duration of the subsequent non-competition period. The Supervisory Board will reduce the non-competition provision for newly appointed members of the Management Board to 50% of the individual annual base salary. The waiting allowance shall be credited against any claim for severance pay. Furthermore, all income that the Management Board member earns from self-employed, salaried or other gainful employment activities and that is not subject to the non-competition provision is offset against the waiting allowance for the duration of the post-contractual non-competition provision. The Company can waive the requirement of the Management Board member to comply with the post-contractual non-competition provision. In this case, the Bank's obligation to pay the waiting allowance terminates prematurely.

Regulations on the obligation to hold shares (Shareholding Obligation Guidelines)

All members of the Management Board are required to acquire a significant volume of Deutsche Bank shares and to hold them on a long-term basis. This requirement fosters the identification of the Management Board members with the Company and its shareholders, and, at the same time, ensures a sustainable link to the development of the Bank's business.

For the Management Board Chairperson, the number of shares to be held amounts to two times his or her annual gross base salary, and for the other Management Board members, one time their annual base salary (in each case the "Shareholding Obligation Guidelines Target" (SOG Target)).

The SOG Target must be fulfilled within four years after the first appointment as Management Board member and must be held until the end of the appointment. An exemplary build-up scheme to fulfill the SOG Target is illustrated in the following chart:



5. Procedures for the determination, implementation, and review of the compensation of the Management Board

The Supervisory Board as a whole is responsible for decisions regarding the design of the compensation system and the structure and amount of compensation. The Compensation Control Committee supports the Supervisory Board in its tasks of designing and monitoring the implementation of the system and prepares the resolutions for the Supervisory Board. As necessary, the Compensation Control Committee recommends adjustments for the Supervisory Board to make to the system. In the case of significant changes, but at least every four years, the compensation system is submitted to the General Meeting for approval.

5.1 Review of appropriateness

As part of this task, the Supervisory Board regularly reviews the appropriateness of the individual compensation components as well as the amount of total compensation.

Through the horizontal comparison, the Supervisory Board ensures that the total target compensation is appropriate in relation to the tasks and achievements of the Management Board as well as the Company's situation. In this context, the level and structure of compensation, in particular, are examined at comparable companies (peer groups). Suitable companies in consideration of Deutsche Bank's market position (in particular with regard to business sector, size and country) are used as the basis for this comparison. The companies selected for the respective peer groups are disclosed in the Compensation Report.

In addition to the horizontal comparison, the Supervisory Board considers a vertical comparison, which entails an examination of the relationship between the compensation of the Management Board and the compensation of the workforce. Within the vertical comparison, the Supervisory Board considers, in accordance with the German Corporate Governance Code (GCGC), the development over time in particular. This involves a comparison of the ratio of Management Board compensation to the compensation amounts of the employees. Taken into account are, on the one hand, the compensation of the senior management, which comprises the first management level below the Management Board and voting members of the top executive committees of the divisions, as well as management board members of significant institutions within the Group and the management positions on the first level below the corresponding management boards. On the other hand, the compensation of all employees is also taken into account (tariff and non-tariff employees).

The Supervisory Board regularly engages independent external compensation advisors for conducting the reviews of appropriateness, while taking care to ensure their independence from the Management Board and the Company. The Supervisory Board takes the results of the review into consideration when setting the total target compensation of the Management Board members.

5.2 Workforce compensation and employment conditions taken into account

When determining the compensation structures for the Management Board, the Supervisory Board takes into account the compensation structures for the employees. The aspects examined are base salary, variable compensation, the relationship between base salary and variable compensation as well as other employment conditions. This examination also means that employment conditions and compensation components that apply to the workforce are also taken over into the Management Board compensation system if the special position of the Management Board does not require its own instruments. Besides the current ratios, the Supervisory Board also examines the development of the ratios over time.

5.3 Measures to avoid and manage conflicts of interest

Members of the Supervisory Board have an obligation to act exclusively in the best interests of the Company and must not pursue any personal interests within the framework of their Supervisory Board work or use business opportunities of Deutsche Bank Aktiengesellschaft or Deutsche Bank Group for themselves. As far as possible, they should avoid activities that could lead to potential conflicts of interest. Every Supervisory Board member is to disclose circumstances that could lead to a potential conflict of interest without undue delay to the Chairperson of the Supervisory Board, who then informs the other members of the Supervisory Board accordingly. If the Chairperson of the Supervisory Board has a potential conflict of interest, the disclosure is to the Deputy Chairperson of the Supervisory Board, who informs the other members of the Supervisory Board accordingly. A Supervisory Board member with a conflict of interest must, in the individual case while observing the statutory requirements, refrain from participating in the Supervisory Board's decisions in this context. Important and not just temporary conflicts of interest should lead to the termination of the Supervisory Board mandate.

5.4 Temporary deviation from the compensation system

Pursuant to § 87a (2) sentence 2 of the Stock Corporation Act (AktG), it is possible in exceptional cases to temporarily deviate from individual elements of the described compensation system if this is necessary in the interests of the long-term well-being of Deutsche Bank. In such a case, the Supervisory Board declares the case as exceptional and resolves on the basis of a proposal of the Compensation Control Committee on the deviations to be taken. It remains necessary also in the case of a deviation to align the compensation to the Company's long-term, sustainable development and to ensure it is in accordance with the Company's earnings and the Management Board member's performance. The compensation components which may deviate from the previously described regulations are the performance criteria for variable compensation. The exceptional case as well as the deviations taken are presented in the Compensation Report.