Deutsche Bank

Annual Report 2020
Switzerland

Contents

This annual report is published in German and English.
In cases of doubt, the German version is binding.

Management Bodies of the Bank

Board of Directors

Fabrizio Campelli, Chair
(until December 2020)

Claudio de Sanctis
(since January 2020,
Chair since January 2021)

Catherine Stalker*, Vice Chair

Dr Andreas J. Bär*

Elisabeth Meyerhans Sarasin*

Christina A. Pamberg*

Balaji Prasanna
(until November 2020)

Wolfram Lange

Frank Krings
(since November 2020)

Audit Committee

Catherine Stalker*, Chair

Dr Andreas J. Bär*, Vice Chair

Balaji Prasanna
(until November 2020)

Frank Krings
(since November 2020)

Credit Committee

Fabrizio Campelli, Chair
(until December 2020)

Claudio de Sanctis,
(Chair since January 2021)

Wolfram Lange

Frank Krings
(since November 2020)

Compensation Committee

Fabrizio Campelli, Chair
(until December 2020)

Claudio de Sanctis,
(Chair since January 2021)

Catherine Stalker

Executive Board

Marco Pagliara, CEO

Dr Peter Seeburger, COO
(until December 2020)

Yiping Li, COO
(since January 2021)

Stephen Warren, CFO

Corrado Palmieri,
Global Products & Solutions
(until December 2020)

Dr Clemens Kaiser
(since February 2020)

Loïc Voide, Markets
(until August 2020)

Markus Reiter, Legal

Laurence Harari Lehmann, Compliance

Corporate Secretary

Tilo Frenzel

Auditor

Ernst & Young, Zurich

* Complies with the requirements of independence according to FINMA Circular 2017 / 01, margin nos. 17–22

Fabrizio Campelli (Chair) (until December 2020)
Fabrizio Campelli became a member of the Deutsche Bank Management Board on November 1, 2019. He is our Chief Transformation Officer and the Management Board member responsible for Transformation and Human Resources. He previously spent four years as the Global Head of Deutsche Bank Wealth Management. Before that, he was Head of Strategy & Organisational Development as well as Deputy Chief Operating Officer for Deutsche Bank Group. He joined Deutsche Bank in 2004 after working at McKinsey & Company in the firm's London and Milan offices, focusing on strategic assignments mainly for global financial institutions. He holds an MBA from MIT Sloan School of Management and a Business Administration degree from Bocconi University in Milan. Mr Campelli has been a member of the following Supervisory Boards since January 26, 2020: BVV Versicherungsverein des Bankgewerbes a.G. and BVV Versorgungskasse des Bankgewerbes e.V. He was Chairman of the Board of Directors of Deutsche Bank (Suisse) SA until December 31, 2020.

Claudio de Sanctis (Chair, since January 2021)
Claudio de Sanctis is a member of Deutsche Bank's Group Management Committee, CEO of Deutsche Bank EMEA and the global Head of the International Private Bank (IPB). De Sanctis became Head of the IPB upon its creation in June 2020. He had previously been Global Head of Deutsche Bank Wealth Management since November 2019 after joining the bank in December 2018 as Head of Deutsche Bank Wealth Management Europe. Based in Zurich, he was also the Chief Executive Officer of Deutsche Bank (Switzerland) Ltd., as part of which he spent most of his time heading Wealth Management Europe. He was previously Head of Private Banking, Europe, at Credit Suisse, which he joined in 2013 as Market Area Head Southeast Asia for Private Banking, Asia Pacific. Before then, he spent seven years at UBS Wealth Management Europe, most recently as Market Head Iberia and Nordics. Earlier in his career, he was Head of Key Clients Unit Europe at Private Banking in Barclays, focusing on UHNW clients and he also worked at Merrill Lynch Private Wealth Management EMEA. De Sanctis earned a BA degree in philosophy at La Sapienza University of Rome.

Catherine Stalker (Vice Chair)
Catherine Stalker has been Vice Chair of the Board of Directors and Chair of the Audit Committee since November 2019. Prior to being elected to the Board in May 2017, Catherine Stalker was Head of Legal & Compliance at Deutsche Bank (Switzerland) Ltd. and Country Head of Legal Switzerland as well as a member of the Executive Board. She transferred from Credit Suisse, where she held different legal and compliance roles as well as a corporate development role with Winterthur Insurance. Previously, she worked for PricewaterhouseCoopers Ltd, SAirGroup and Grand Metropolitan plc in London. Catherine Stalker holds a law degree from the University of Zurich and a master's degree in law (LL.M) from the UCLA School of Law, Los Angeles.

Dr Andreas J. Bär
Andreas Bär joined the Board of Directors in 2012. He studied law in Switzerland and the US and has a doctorate from the University of Zurich in the field of banking law. As a trained attorney at law, he was a partner for many years and is now counsel at the distinguished law firm Bär & Karrer AG in Zurich, where he predominantly deals with commercial law. He mainly advises wealthy private clients, single and multi-family offices and their advisors, both in Switzerland and abroad, on wealth structuring, estate planning and certain issues regarding the structuring and running of family offices. He serves on various other boards, including outside the financial services industry and family offices. Mr Bär was, inter alia, a member of the Board of Julius Baer Group Holding.

Elisabeth Meyerhans Sarasin
Elisabeth Meyerhans Sarasin joined the Board of Directors in April 2016. She is the founder of Meyerhans & Partner, an advisory boutique specialising in strategic communications. She chairs the Board of SVA Sozialversicherung Aargau and of Limea AG and is a member of the Board of Dareal Holding AG, of DWS CH Ltd and of the Board of Trustees of AXA Stiftung Berufliche Vorsorge. Previously, she held positions at Neue Zürcher Zeitung, Bank Vontobel and the Federal Department of Finance (FDF) in Berne. From 2007 to 2010, she was Secretary-General of the FDF. She has a master's degree in business administration from the University of St. Gallen (HSG).

Christina A. Pamberg
Christina Pamberg joined the Board of Directors in April 2016. She is a partner at Alcyon Holding, a privately owned investment vehicle. Christina is also Chairwoman of the Board (government appointee) of Banque Cantonale du Jura, where she chairs the Credit Committee and is a member of the HR Committee. Furthermore, she sits on the Advisory Board of Level 20, a not-for-profit organisation and on the Board of Invest Europe, the European private equity trade association. Prior to her current roles, she worked for Salomon Smith Barney, HarbourVest Partners UK Ltd and Kohlberg Kravis Roberts & Co, among others. Christina Pamberg holds a BA from Amherst College, an MBA from INSEAD and completed the AMP at Harvard Business School.

Balaji Prasanna (until November 2020)
Balaji Prasanna joined the Board of Directors in September 2018. Since January 2020, he has been Vice Chairman for DB Wealth Management. Previously, he was the Global Head of Lending & Deposit Products for DB Wealth Management between 2008 and 2019 and was based out of London. Balaji Prasanna joined Deutsche Bank in 2005. He is a member of the Global Executive Committee of DB WM. Prior to joining Deutsche Bank, he worked for eight years at Citigroup in Singapore and Hong Kong, where he held positions in relationship management and lending. After 15 years at Deutsche Bank, Balaji Prasanna has decided to leave the bank at the end of March 2021.

Wolfram Lange
Wolfram Lange joined the Board of Directors in September 2018. He is the Global Divisional Control Officer (DCO) of Deutsche Bank International Private Bank. Wolfram Lange joined Deutsche Bank in 2005 as Deputy to the Global COO for Private Wealth Management and took over the COO role for Private Wealth Management EMEA in 2007. Prior to his current role, Wolfram held roles as the DCO for Wealth Management and also as Global Head of Risk, Governance & Regulatory Affairs for AWM, Deutsche Bank's former Asset and Wealth Management division. Before joining Deutsche Bank, he worked at McKinsey & Company in London, where he focused on a broad range of projects for the financial services industry.

Frank Krings (since November 2020)
Frank Krings has been a member of the Board of Directors, the Audit Committee and the Credit Committee since November 2020. Over the past two and a half decades, he has held statutory board and management roles at banks, asset management and investment companies, industry associations and chambers of commerce in numerous developed and emerging market jurisdictions across Europe and Asia. Currently, Frank Krings is Deutsche Bank Group's Chief Executive Officer for Western Europe and the President and General Manager of Deutsche Bank in France. He also serves on the Board of the Association Française des Banques (AFB). In the Grand Duchy of Luxembourg, he is a member of the Supervisory Board and the Risk Committee of Deutsche Bank Luxembourg S.A. and a member of the Supervisory Board of DWS Investment S.A.; he is also an elected member of the plenary assembly of the Luxembourg Chamber of Commerce and a member of its Audit Committee. Further, he is the Chairman of Istanbul-based Deutsche Bank A.Ş., a member of its Audit Committee and the Chairman of its Compensation Committee. Mr Krings is of French and German nationality, and graduated with a combined degree in Business Administration and Electrical Engineering from Brunswick Technical University.

Marco Pagliara, International Private Bank EMEA, CEO

Marco Pagliara is the CEO of Deutsche Bank (Switzerland) Ltd., Head of International Private Bank EMEA and Chief Country Officer for Switzerland. He joined Deutsche Bank from Goldman Sachs in June 2019 as Market Head Northern & Eastern Europe, which comprises our businesses in the UK and the Nordics, in Luxembourg and domestic Switzerland and in Emerging Europe. He was appointed to the Executive Board in July 2019. Marco started his career at McKinsey & Company Inc. in Milan before joining Goldman Sachs in 2002. He held various management positions at Goldman, lastly heading the wealth management business in Continental Europe and Switzerland in Zurich and served as the General Manager of Goldman Sachs Bank AG (Switzerland). Marco holds a degree in business administration from Bocconi University and an MBA in Finance from Columbia Business School, New York.

Dr Peter Seeburger, COO (until December 2020)

Peter Seeburger was COO for Deutsche Bank (Switzerland) Ltd. from June 2018 until the end of 2020 as well as COO of Wealth Management Europe and Wealth Management EMEA until mid-2020. Peter held various positions within Deutsche Bank Group Strategy and Group Management Consulting in Frankfurt and London. Prior to joining Deutsche Bank in 2014, he worked at McKinsey & Company in Frankfurt and San Francisco, focusing on strategic and transformation assignments in the financial services industry. Peter Seeburger graduated with a diploma in business engineering from the University of Karlsruhe and holds a PhD in finance from the University of Mainz. In January 2021, he relocated to Frankfurt for Deutsche Bank as COO WM Germany & Head of Global Performance Management for International Private Bank EMEA.

Yiping Li, COO (since January 2021)

Yiping Li was appointed Chief Operating Officer IPB EMEA and COO at Deutsche Bank (Switzerland) Ltd. in January 2021. Prior to this, she held various positions within Deutsche Bank Luxembourg S.A., including Chief Operating Officer Wealth Management EMEA and Head Wealth Management for Deutsche Bank in Luxembourg, where she was responsible for the local Wealth Management platform, as well as for the entire Benelux market region. Before Yiping Li joined Deutsche Bank, she worked as Chief Operating Officer at Credit Suisse in Luxembourg. Yiping Li holds a Bachelor of Science in Business Information Systems and in Computer Science and Technology from the Beijing Technical University, China, as well as from the Saxion Hogescholen Deventer, the Netherlands, respectively. She also holds a Master of Science degree in Information System Engineering from the University of Twente, the Netherlands.

Stephen Warren, CFO

Stephen Warren has been CFO for Deutsche Bank (Switzerland) Ltd. since December 2017 and is also Head of Group Finance, Switzerland, where he directly oversees the financials of Deutsche Bank AG, Zurich Branch (CIB). During the past 19 years at Deutsche Bank in London, Geneva and Zurich, he has held various positions, including CFO of Deutsche Asset Management Switzerland, member of the Board of DB Switzerland Pension Fund, and senior management positions in Group Finance within the Wealth Management, Investment Banking and Asset Management divisions. Prior to joining Deutsche Bank, Stephen Warren was a KPMG senior audit manager. He is also a qualified professional accountant.

Corrado Palmieri, Global Products & Solutions (until December 2020)

Corrado Palmieri joined Deutsche Bank in 1999. From 2001 to 2010, he held various management positions in Product Management and Global Investment & Sales in the Wealth Management Division of DB Italy in Milan. In 2010, he moved to Deutsche Bank (Switzerland) Ltd. in Geneva and later relocated to Zurich. Since 2018, he has been responsible for Global Products & Solutions (GPS) across all of Europe, including Germany. In his role as Head of GPS, he oversees the entire investment products area, ensuring adequate investment opportunities. Corrado Palmieri earned his degree in economics from Bocconi University.

Dr Clemens Kaiser, Markets (since February 2020)

Clemens Kaiser is Head of Wealth Management Germany International & Austria with coverage teams in Zurich, Luxembourg and Vienna and Location Head for the Zurich office. Prior to joining Deutsche Bank Switzerland in 2006, he worked for Deutsche Bank Wealth Management since joining the Group as a graduate trainee in 2000 and has held various positions in different international locations. Clemens Kaiser holds a PhD in Finance and a degree in business administration from the University of Tübingen.

Markus Reiter, Legal

Markus Reiter has been Head of Legal at Deutsche Bank (Switzerland) Ltd. since April 2017, Head WM Legal Europe as well as Country Head of Legal Switzerland. From April 2017 until March 2019, he also held the Country Head of Compliance position for Deutsche Bank in Switzerland. Prior to that, he was Head of Legal Asset Management in Germany, Central & Eastern Europe before becoming Head of Legal at Deutsche Bank Asset & Wealth Management in that region. He joined Deutsche Bank in 1996 and has held various positions in the Bank's Legal Department, covering different divisions and regions. Markus Reiter studied law at the University of Constance.

Laurence Harari Lehmann, Compliance

Laurence Harari Lehmann joined Deutsche Bank in 2015, covering the role of Country Head of Compliance for Deutsche Bank in Switzerland. In this capacity, she oversees the compliance activities for all legal entities of Deutsche Bank in Switzerland. Laurence Harari Lehmann is currently Head of Compliance Switzerland and Head of Wealth Management Compliance Europe. Before joining Deutsche Bank, she held senior compliance positions at Merrill Lynch in London and Credit Suisse in Zurich. Laurence Harari Lehmann holds a law degree from the University Paris I, Sorbonne, and a master's degree in law from the University of Chicago Law School.

Loïc Voide, Markets (until August 2020)

Loïc Voide was appointed Head of Wealth Management Middle East and Africa as well as Head of Deutsche Bank Geneva in December 2018. He also served as Vice Chairman of the Deutsche Bank Switzerland Pension Fund. Prior to that, he was Head of Wealth Management Russia and Eastern Europe. Before joining Deutsche Bank in 2015, he held management positions at UBS and Credit Suisse, covering the Middle Eastern and Turkish markets, and headed the Family Office of a senior member of a Gulf royal family. Loïc Voide started his career in 1990 as a bank apprentice with Swiss Bank Corporation. In September 2020, he relocated to Dubai for Deutsche Bank as Head of IPB MEA, Regional co-CEO MEA and Chief Country Officer UAE.

Dear readers

When the coronavirus pandemic broke out in March 2020 the financial markets saw their biggest fall since 1987, tumbling by up to 12% in a single day. By the end of the year though, things looked completely different, with a positive performance for many asset classes – apart from a few commodities that were in negative territory. The unprecedented support measures taken by central banks and governments were a major factor contributing to this.

It was a similar story for Deutsche Bank (Switzerland) Ltd. Radical protective measures were taken at the start of the pandemic: working from home whenever possible, cancelling client events and shifting them online, and making greater use of digital tools like video conferencing software to speak to clients and hold internal meetings. It took only around two weeks to put these options in place for most of the workforce. Initially, it was not clear how the COVID-19 pandemic would impact the business and financial results of Deutsche Bank (Switzerland) Ltd. Over the course of the year, however, it became apparent that the crisis was also opening up opportunities to support our clients' needs and to demonstrate the Bank's resilience.

In June 2020, Deutsche Bank AG (Group) announced to merge Wealth Management (WM) and Private & Commercial Business International (PCBI) to form a single unit known as the International Private Bank (IPB), led by Claudio de Sanctis. He is also based in Switzerland, emphasising the importance of the country as a location. In the future, Deutsche Bank IPB will service Wealth Management clients globally, as well as private clients and small- and medium-sized enterprises in Italy, Spain, Belgium and India.

Appropriately for the 40th anniversary of Deutsche Bank (Switzerland) Ltd., the year under review is likely to go down in history as the year in which the extensive transformations set in motion in the preceding years bore fruit. Over the last few years, Deutsche Bank (Switzerland) Ltd. invested in client advisers and technologies and took action to permanently reduce the cost base. We can see the benefits of our strategy now materialised in 2020 in the key areas of profitability and growth, in our expanding client asset base as well as our sophisticated lending solutions. However, this success has not been achieved at the cost of increased risks, given our investment strengthening and harmonising as we have invested in the strengthening and harmonsation of the control framework in general and risk management functions in particular.

Financial results 2020

Despite the challenges that COVID-19 has presented for the markets, client interaction and our operations, we are pleased to report that the Bank has achieved a turnaround in terms of profitability and resources. The target to return to a positive operating result in 2020, as the launching pad for our strategic plan over the next five years, has been achieved, despite additional credit provisions booked in 2020. Total credit provisions remain, however, well below peers, reflecting the strong credit rating and liquidity profile of the credit book. While operating income has declined in 2020 from CHF 275.7 million to CHF 251.5 million, this is largely due to the full year effect of 2019 outflows and this revenue decline has been more than offset by the significant and structural reduction in the Bank's cost base, from CHF 308.5 million in 2019 to CHF 251 million (CHF -58 million). The cost base is expected to decline further in 2021, due to ongoing cost-cutting initiatives.

At the end of the year, the Bank reported CHF 21.4 billion of assets under management, compared with CHF 21.7 billion at the end of 2019. Net new assets inflows of CHF 1 billion, across all teams, were achieved in the year under review, while the impact from the FX translation to our CHF reporting currency was CHF -1.3 billion. Net new lending of CHF 699 million, mainly in the Lombard credit segment, increased the overall credit book from CHF 4 billion at the end of 2019 to CHF 4.4 billion by year end (adjusted for FX effects), as the Bank continues to develop its overall credit offering. This also clearly demonstrates the Bank's ability to meet its clients' financing requirements even during stressed markets conditions, such as the ongoing COVID-19 crisis.

The Bank continues to maintain a very solid capital base, which is well above the minimum regulatory level required. It also has ample liquidity: the liquidity coverage ratio, which demonstrates the Bank's ability to cover short-term liquidity needs, was comfortably above the minimum regulatory requirements.

Investments to promote growth and cost-cutting measures bear fruit

In the year under review, we once again invested significantly in the core areas of our business.

Employees

During the year under review and previous years, Deutsche Bank (Switzerland) Ltd. hired many client advisers and investment managers to serve our key growth markets and core client segments. The results are already apparent in the year under review in the form of net new money and the growing loan portfolio. The Bank is continuing to invest in relationship managers and technology, as well as in measures to further reduce its cost base.

Process and cost efficiency

At the same time, the Bank has taken a series of efficiency measures that have had a positive impact on costs and will continue to do so in the years ahead. Prime among these is without doubt the digitalisation drive. As a consequence of the COVID-19 pandemic, implementation of the digitalisation strategy has been stepped up.

The reduction in office space in Geneva and Zurich last year also resulted in considerable cost savings this year. Further to the step taken in 2019, Deutsche Bank (Switzerland) Ltd. intends to further reduce office space during the current year. This will be combined with a new and innovative workplace concept that the Bank is planning to introduce.

Client coverage

With the creation of the International Private Bank (IPB), Switzerland remains a key booking centre and coverage location at the centre of IPB's Wealth Management proposition, providing a full range of Wealth Management services for sophisticated high-net-worth (HNW) and ultra-high net-worth (UHNW) individuals, entrepreneurs and family offices through a dedicated service model. The offering includes innovative CIO-led investment solutions, a comprehensive range of lending and financing solutions, as well as access to the global DB Group proposition including Investment Bank, Corporate Bank and Asset Management.

In 2020, IPB has further enhanced its client proposition by launching the industry-disruptive Strategic Asset Allocation funds which – building on 30+ years of experience in discretionary portfolio management – provides client access to its leading CIO view through low-fee ETFs (incl. the unique Risk Return Engineering feature) and accompanying thematic satellite portfolios (incl. thematic ESG investments), and by launching the Direct Access Client desk in Switzerland for clients that trade professionally, providing direct access to a wide range of capital market solutions thanks to an open architecture in the area of foreign currency trading.

From its coverage hubs in Zurich and Geneva, Deutsche Bank (Switzerland) Ltd. provides onshore coverage of HNW and UHNW individuals located in Switzerland with dedicated coverage teams for each language region, offshore coverage for clients in the EMEA region (Europe excluding Germany, Italy and Spain, but including Middle East and Africa), as well as offshore coverage for UHNW clients with European nexus from emerging markets outside of EMEA (APAC and Latin America).

In addition to client coverage, a range of management and support functions for IPB are located in Switzerland, including Claudio de Sanctis, Head of IPB and CEO of DB EMEA, Marco Pagliara, CEO of Deutsche Bank (Switzerland) Ltd. and Head of IPB EMEA region, and Alessandro Caironi, Head of IPB Advisory & Sales and Lending.

A milestone anniversary

During the year under review, not only did Deutsche Bank AG celebrate its 150th birthday, but Deutsche Bank (Switzerland) Ltd. also marked its 40th anniversary. A special edition of Historical Review, a publication of the Historical Association of Deutsche Bank, entitled "Deutsche Bank and Switzerland" was devoted to the Bank's activities in the country. No other celebrations were held due to the coronavirus pandemic.

The coming year

While the turnaround in profitability has been achieved, the strategic plan anticipates continued growth in invested assets and lending activities, driven by the new hires in 2020 and 2021, strong focus on our clear growth levers and a continued strict cost discipline across the Bank. This growth will be supported by a strong balance sheet, robust capital ratio levels and comfortable liquidity reserves that clearly meet the regulatory minimum requirements.

Local roots combined with the global presence of Deutsche Bank AG (Group) are a major competitive advantage. Deutsche Bank (Switzerland) Ltd. can therefore look to the future with confidence.

Our objective is to be the preeminent private bank for high-net-worth (HNW) and ultra-high net-worth (UHNW) individuals, entrepreneurs and family offices from Switzerland and abroad who know that their sophisticated Swiss private banking needs will be well looked after. We see a lot of potential for growth in this respect, especially as Deutsche Bank (Switzerland) Ltd. provides an unparalleled range of Wealth Management services and draws on a large and global network of specialists and on solutions from the Corporate Bank, the Investment Bank and DWS, the asset management arm of Deutsche Bank.

Changes to the Bank's management bodies

Board of Directors

Claudio de Sanctis was elected Chairman of the Board of Directors in January 2021, replacing Fabrizio Campelli, who stepped down in December 2020. In addition, Frank Krings was elected to the Board in November 2020 in order to replace Balaji Prasanna, who stepped down in November 2020.

Executive Board

Yiping Li took on the position of COO in January 2021. She replaces Dr Peter Seeburger, who stepped down in December 2020 to take on different responsibilities within Deutsche Bank. Loïc Voide and Corrado Palmieri left the Executive Board in August and December respectively, also to take on different responsibilities within Deutsche Bank. In February 2020, Dr Clemens Kaiser was elected to the Executive Board.

Thanks

The year under review will go down in history as not just an anniversary year, but also the year the COVID-19 pandemic demanded great flexibility and adaptability from all stakeholder groups. Client meetings were made difficult and increasingly took place by video conference, staff worked from home, and trading volumes rose significantly in some cases. These challenges were able to be overcome due to the proven robust infrastructure of the Bank and the Group, innovative solutions to meet client needs and the determination of the IPB family to deliver the highest level of quality to our clients.

We would like to thank our clients for putting their trust in us despite the difficult circumstances. And we would like to thank our staff, who show the necessary flexibility as well as their usual determination and delight in putting clients at the heart of what they do – this year and beyond.

Chairman of the Board of Directors
Claudio de Sanctis

Chief Executive Officer
Marco Pagliara

Regulatory Information

Disclosure in accordance with FINMA Circular 2016/01

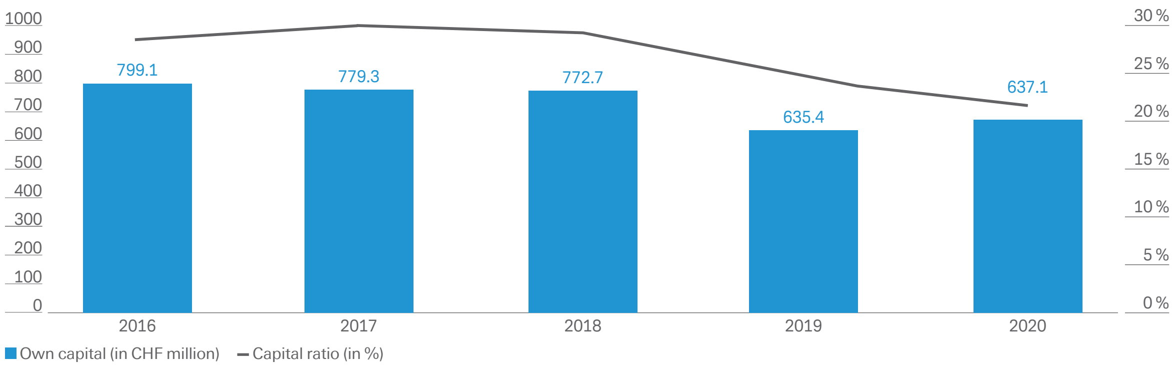
Capital

In accordance with paragraphs 12 and 13 of FINMA Circular 16 / 1, Deutsche Bank (Switzerland) Ltd. as a foreign-controlled bank is partially exempt from the extensive disclosure requirements, provided that comparable disclosures are published at Group level in the foreign country in question. More information on consolidated capital adequacy within the Deutsche Bank Group can be found in the chapter on regulatory capital in Deutsche Bank AG's financial report for 2020.

As at the end of 2020, Deutsche Bank (Switzerland) Ltd. had surplus capital of around CHF 402 million compared with CHF 417 million in the previous year. The key figures for publication set out in FINMA Circular 2016 / 1 can be seen in the table below.

Disclosures in accordance with FINMA Circular 2016 / 01	2020	2019
Eligible capital (CHF 000)		
Common Equity Tier 1 (CET1)	584,785	583,667
Tier one capital (T1)	584,785	583,667
Total capital	637,087	635,420
Risk-weighted assets (RWA) (CHF 000)		
Total risk-weighted assets (RWA)	2,943,758	2,726,534
Minimum capital requirements (CHF 000)	235,501	218,123
Risk-based capital ratios (as a percentage of RWA)		
CET1 ratio (%)	19.87 %	21.41 %
T1 ratio (%)	19.87 %	21.41 %
Total capital ratio (%)	21.64 %	23.31 %
Additional CET1 requirements (buffers) as a percentage of RWA		
Capital conservation buffer requirement according to Basel minimum requirements (%)	2.50 %	2.50 %
Countercyclical buffer requirement according to Basel minimum requirements (%)	0.01 %	0.01 %
Total of bank CET1 specific buffer requirements according to Basel minimum requirements (%)	2.51 %	2.51 %
CET1 available after meeting the bank's minimum capital requirements (%)	13.64 %	15.31 %
Target capital ratios according to Annex 8 of the Capital Adequacy Ordinance (CAO) (% of RWA)		
Capital conservation buffer according to CAO Annex 8 (%)	3.20 %	3.20 %
Countercyclical capital buffer according to CAO Art. 44 and Art. 44a (%)	0.01 %	0.01 %
CET1 capital target (%) according to CAO Annex 8 incl. countercyclical buffer according to CAO Art. 44 and 44a	7.41 %	7.41 %
T1 capital target according to CAO Annex 8 incl. countercyclical buffer according to CAO Art. 44 and 44a	9.01 %	9.01 %
Total capital target according to CAO Annex 8 incl. contercyclical buffer according to CAO Art. 44 and 44a	11.21 %	11.21 %
Basel III leverage ratio		
Leverage ratio exposure (CHF 000)	7,997,340	8,295,009
Basel III leverage ratio	7,31 %	7,04 %

Own capital / capital ratio



The Bank benefited from a one-off capital injection by its parent company of over CHF 250 million in 2013. It was decided in 2015 to return CHF 100 million of this subsidy to the Group by means of an extraordinary dividend from capital contribution reserves. It was decided in 2019 to return CHF 112 million of this subsidy to the Group by means of an extraordinary dividend from retained earnings. With a total capital ratio of 21.6% (previous year 23.3%), Deutsche Bank (Switzerland) Ltd.'s capital base is still comfortable when compared with the minimum total capital ratio under supervisory law of 11.2 %.

Liquidity

The Asset and Liability Committee is tasked by the Executive Board to manage and monitor liquidity risk. A regular reporting process is in place to monitor all liquidity risks.

The minimum requirement in accordance with the Liquidity Ordinance Art. 31a was 100% for 2020. The Q4 2020 liquidity coverage ratio, which represents cover of short-term liquidity requirements, decreased by 13 percentage points compared with the fourth quarter 2019 average (142 %). Deutsche Bank (Switzerland) Ltd. still holds a solid buffer compared with the minimum regulatory requirement.

Short / term liquidity ratio, LCR	Q=Quarter Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
LCR numerator: total of high-quality, liquid assets (CHF 000)	1,018,077	955,038	910,597	842,069	899,022
LCR denominator: total net cash outflows (CHF 000)	787,601	694,350	655,241	609,628	632,233
Liquidity coverage ratio, LCR (as a %)	129%	138%	139%	138%	142%

Balance Sheet

Assets

CHF 000	31.12.2020	31.12.2019
Liquid assets	1,122,477	835,714
Amounts due from banks	3,041,084	2,995,275
Amounts due from customers	2,504,567	2,212,584
Mortgage loans	1,765,451	1,639,657
Trading portfolio assets	130	5
Positive replacement values of derivative financial instruments	123,598	100,947
Financial investments	65,701	77,802
Accrued income and prepaid expenses	157,077	142,546
Non-consolidated participations	–	–
Tangible fixed assets	28,698	27,770
Intangible assets	200	1,111
Other assets	23,879	14,473
Total assets	8,832,862	8,047,884

Liabilities

CHF 000	31.12.2020	31.12.2019
Amounts due to banks	4,700,976	4,386,255
Amounts due in respect of customer deposits	3,185,717	2,753,626
Negative replacement values of derivative financial instruments	122,043	100,118
Accrued expenses and deferred income	116,559	115,255
Other liabilities	49,431	26,051
Provisions	73,351	80,877
Reserves for general banking risks	14,000	14,000
Bank's capital	100,000	100,000
Capital reserve	168,158	168,158
of which tax-exempt capital contribution reserve	168,158	168,158
Legal reserve	47,171	47,171
Retained earnings reserve	254,338	254,338
Profit carried forward / loss carried forward	2,035	–
Profit / loss (result for the period)	-917	2,035
Total liabilities	8,832,862	8,047,884

Off-balance sheet transactions

CHF 000	31.12.2020	31.12.2019
Contingent liabilities	106,482	130,983
Irrevocable commitments	12,153	22,557
Obligations to pay up shares and make further contributions	26,438	23,048

Income Statement

CHF 000	2020	2019[1]
Result from interest operations		
Interest and discount income	79,907	99,372
Interest and dividend income from trading portfolios	-6	74
Interest and dividend income from financial investments	238	507
Interest expense	-36,178	-51,350
Gross result from interest operations	43,961	48,603
Changes in value adjustments for default risks and losses from interest operations	-6,622	-469
Net result of interest operations	37,339	48,134
Result from commission business and services		
Commission income from securities trading and investment activities	106,284	112,866
Commission income from lending activities	2,990	3,447
Commission income from other services	30,609	28,888
Commission expense	-5,019	-6,503
Subtotal result from commission business and services	134,864	138,698
Result from trading activities and the fair value option	9,421	7,132
Other result from ordinary activities		
Result from the disposal of financial investments	–	–
Income from participations	1,093	6,003
Result from real estate	801	965
Other ordinary income	67,984	74,800
Other ordinary expense	–	–
Subtotal other result from ordinary activities	69,878	81,768
Operating income	251,502	275,732
Operating expenses		
Personnel expenses	-132,584	-140,782
General and administrative expenses	-111,351	-138,694
Subtotal operating expenses	-243,935	-279,476
Value adjustments on participations and depreciation of tangible fixed assets and amortisation intangible assets	-5,851	-25,508
Changes to provisions and other value adjustments, and losses	-742	-3,524
Operating result	974	-32,776
Extraordinary income	–	37,104
Extraordinary expenses	–	–
Taxes	-1,891	-2,293
Profit / loss result for the period	-917	2,035
Compensation of losses		
Profit / loss result for the period	-917	2,035
Profit carried forward at year-end	2,035	–
Balance sheet profit	1,118	2,035
Amounts available for the general meeting	1,118	2,035
Profit distribution		
Dividend payment	–	–
thereof distribution from the balance sheet profit	–	–
Profit to be carried forward	1,118	2,035

1) Commission income from other services in 2019 has been partially reclassified to other ordinary income (CHF 74.8 million) and result from real estate (CHF 1.0 million).

Statement of Changes in Equity

CHF 000	Bank's capital	Capital reserve	Legal reserves from retained earnings	Reserves for general banking risks	Other reserves from retained earnings	Result for the period	Total
Equity at 01.01.2020	100,000	168,158	47,171	14,000	254,338	2,035	585,702
Other allocations to (transfers from) the other reserves	–	–	–	–	2,035	-2,035	–
Profit / loss (result for the period)	–	–	–	–	–	-917	-917
Equity at 31.12.2020	100,000	168,158	47,171	14,000	256,373	-917	584,785

Notes to the Annual Financial Statements

1 Company Name, Legal Form and Registered Office of the Bank

Deutsche Bank (Switzerland) Ltd., with its head office in Geneva and a branch office in Zurich, is a wholly owned subsidiary of Deutsche Holdings (Luxembourg) S.à r.l., Luxembourg, which is a consolidated entity of the Deutsche Bank Group. Deutsche Bank (Switzerland) Ltd. is one of the companies for which Deutsche Bank AG has issued a Declaration of Backing in its Annual Report 2020, within the supplementary information disclosures.

Incorporated in 1980, Deutsche Bank (Switzerland) Ltd. specialises in asset management and investment advisory services for private clients (wealth management), which also includes portfolio management and collateralised lending. The Bank conducts its activities predominantly in offices rented under long-term leases.

2 Accounting and Valuation Principles

2.1 General principles

Bookkeeping, accounting and valuation procedures comply with the Swiss Code of Obligations, the Swiss Federal Banking Act and its ordinance, as well as the Swiss Financial Market Supervisory Authority (FINMA) guidelines governing accounting practices for banks, securities dealers, financial groups and conglomerates in accordance with FINMA circular 2020/1 and ordinance on accounting. These company financial statements are free from material misstatement and present the economic position of the Bank such that third parties can make a reliable assessment. The financial statements may contain hidden reserves.

In the Notes, the individual figures are rounded for publication; the calculations are, however, performed using figures that have not been rounded, with the result that small rounding discrepancies may occur.

2.2 General valuation principles

These annual financial statements are drawn up on the assumption of the continuation of the Bank as a going concern. Therefore, all positions are recognised on a going concern valuation basis. Assets are recognised in the balance sheet as such if these are available due to past events, a cash inflow is probable and their value can be reliably estimated. Liabilities are recognised in the balance sheet as such if these arise from past events, a cash outflow is probable and their amount can be reliably estimated. Detailed positions reported in the balance sheet are measured individually. The transitional provision that requires individual valuations for tangible fixed assets to be carried out no later than 1 January 2021 is not applied.

Assets and liabilities, and income and expenditure, are generally not offset. Receivables and payables are offset only in the event of value adjustments to the corresponding asset item.

2.3 Detailed Accounting and Valuation Principles

2.3.1 Liquid assets

Liquid assets include cash holdings in Swiss francs and foreign bank notes, as well as sight deposits with the Swiss National Bank. These items are recognized at nominal value.

2.3.2 Amounts due from banks, amounts due from customers and mortgages

Amounts due from banks, customers and mortgages are recognised at their nominal value less any required value adjustments.

Precious metals trading balances on metals accounts are measured at fair value if the corresponding metals are traded on a liquid market.

Impaired loans, i.e. amounts due from customers for which it is unlikely that the obligor will be able to meet future obligations, are valued on an individual basis and the value loss is covered by specific value adjustments. The value reduction of impaired loans is measured on the basis of the difference between the book value of the loan and the estimated recoverable amount. The amount estimated to be recoverable is deemed to be the liquidation value.

If a receivable is deemed to be irrecoverable, in part or in full, or if a debt waiver is granted, the receivable is written off and charged against the corresponding value adjustment.

If recoveries from receivables that were already written off at an earlier date cannot be used for other similar value adjustments at the same time, they are credited to the income statement under "Changes in value adjustments for default risks and losses from interest operations".

As a FINMA Category 4 Bank, the Bank makes use of the option according to Art. 25 para. 1 let. c FINMA Accounting Ordinance and continues to apply the existing approach with value adjustments for latent default risks. No value adjustments have been made for latent default risks.

Specific value adjustments are deducted from the corresponding asset item in the balance sheet.

Impaired loans are reclassified as performing if the outstanding principal amounts and interest expenses are paid on schedule in line with the contractual agreements and further credit rating criteria. The reversal of value adjustments is reported in the income statement under "Changes in value adjustments for default risks and losses from interest operations".

2.3.3 Amounts due to banks and in respect of customer deposits

These items are recognised at their nominal value.
Precious metals liabilities on metals accounts are valued at fair value.

2.3.4 Trading and amounts due to trading

The trading portfolios are generally valued and recognised in the balance sheet at fair value.

Foreign exchange gains and losses resulting from valuation changes are recognised under “Result from trading activities and the fair value option”. Interest and dividend income from trading is credited in the income statement under “Interest and dividend income from trading portfolios”. No refinancing costs for trading are credited to “Interest and discount income”.

2.3.5 Positive and negative replacement values of derivative financial instruments

Derivative financial instruments are primarily used on behalf of clients in asset and liability management and foreign exchange trading.

Derivative financial instruments are valued at fair value and, in principle, represent trading activities. Replacement values of derivative financial instruments from client transactions resulting from contracts traded over the counter are disclosed. Exchange-traded contracts from client transactions are accounted for if no daily margining takes place. Replacement values from trading activities are accounted for under “Positive replacement values of derivative financial instruments” on the asset side or the item “Negative replacement values of derivative financial instruments” on the liability side. Valuation gains are recognized through income in the item “Result from trading activities and the fair value option”.

Fair value is based on market rates, prices quoted by traders, discounted cash flow and option premium models.

2.3.6 Financial investments

Financial assets cover debt instruments, equities and physical holdings of precious metals. For financial assets that are valued at the lower of cost or market, a write-up is recognised up to a total of the historical acquisition cost, provided the fair value that was depreciated below the acquisition cost subsequently rises again. The value adjustment balance is recognised under the items “Other ordinary expenses” and “Other ordinary income”.

Debt instruments not intended to be held until maturity (available for sale) are valued at the lower of cost or market. Value adjustments from the subsequent valuation are recognised under the item “Other ordinary expenses” or “Other ordinary income” for each item. Value adjustments relating to default risk are recognised under the item “Changes in value adjustments for default risks and losses from interest operations”.

The valuation of equity securities and own physical precious metal holdings is carried out at the lower of cost or market. Own physical holdings of precious metals that are used to cover liabilities from precious metals accounts are also valued at fair value in line with the precious metals accounts. Value adjustments are recognised under “Other ordinary expenses” or “Other ordinary income” for each item.

2.3.7 Participations

The term participations covers equity securities owned by the Bank in undertakings where those securities are held with the intention of a permanent investment irrespective of the percentage of voting shares held. The participation is held at acquisition value less any necessary value adjustments. The value of the participation is reviewed at each balance sheet date and any impairment of the value is charged to the result for the period.

2.3.8 Tangible fixed assets

Investments in tangible fixed assets are capitalised if they are used beyond a reporting period and exceed the minimum capitalisation threshold of CHF 1,000. Tangible fixed assets are recognised in the balance sheet at acquisition cost less planned accumulated depreciation and amortisation over their estimated useful life. Tangible fixed assets are written off on a linear basis over a period subject to a conservative estimate of their useful life under “Value adjustments on participations and depreciation and amortisation of tangible fixed and intangible assets”. The estimated useful life of a given category of tangible fixed assets is as follows:

Asset category	Useful life
Additions to / renovation of leasehold properties	10 years
Acquired or self-developed software for core banking systems	10 years
Furniture	8 years
Operating equipment, telecommunications	5 years
Acquired or self-developed software (except for core banking systems)	5 years

On the balance sheet date, the tangible fixed assets are tested for signs of impairment. This check is triggered by indications that individual assets could be affected by impairment losses. If such signs are confirmed, the recoverable amount is determined. If an impairment loss is found, the book value is reduced to the recoverable amount and the impairment loss is debited under the item “Value adjustments on participations and depreciation of tangible fixed assets and amortisation of intangible assets”.

Realised gains from the sale of tangible fixed assets are recognised under “Extraordinary income”, and realised losses under “Extraordinary expenses”.

2.3.9 Intangible assets

Purchased intangible assets are recognised in the balance sheet if they will generate measurable benefits for the company over several years. Internally produced intangible assets are not recognised in the balance sheet. Intangible assets are recognised and measured at acquisition cost. Intangible assets are amortised on a straightline basis over their carefully estimated useful life via the item “Value adjustments to investments, depreciation and amortisation of fixed assets and intangible assets”. The estimated useful life for the individual classes of intangible assets is:

Asset class	Useful life
Licences	3 years

On the balance sheet date, intangible assets are tested for signs of impairment. This test is based on indications that individual assets may be impaired in value. If there are any such indications, the recoverable amount is determined. The recoverable amount is determined for every asset (single valuation). An asset is impaired if its carrying amount exceeds the recoverable amount.

Realised gains from the sale of intangible assets are recognised as “Extraordinary income”, while realised losses are charged to “Extraordinary expenses”.

2.3.10 Accrued income / expenses and prepaid expenses / deferred income

These items mainly consist of accrued interest, taxes payable and other accruals and deferrals.

2.3.11 Other assets and other liabilities

These items comprise mainly indirect taxes, settlement account balances and other payables from goods and services.

2.3.12 Provisions

Legal and factual liabilities are valued on a regular basis. If a cash outflow is probable and can be reliably estimated, a corresponding provision is created.

Existing provisions are measured on each balance sheet date. Depending on the revaluation results, the provisions will be increased, maintained or reversed. Provisions are included as follows under the individual captions of the income statement:

Provisions for deferred tax:	"Taxes"
Pension provisions:	"Personnel expenses"
Other provisions:	"Changes to provisions and other value adjustments, and losses" with the exception of restructuring provisions

Provisions are released in the income statement if they are no longer required.

2.3.13 Reserves for general banking risks

The reserves for general banking risks are precautionary reserves raised for banking business risks in the course of operations.

The establishment and reversal of reserves are recognised in the income statement under "Changes to reserves for general banking risks". The reserves for general banking risks are taxed.

2.3.14 Taxes

Current taxes are recurring taxes on capital and income, generally on an annual basis. Transaction-related taxes are not categorised as current taxes.

Amounts due to current capital and income taxes are reported under "Accrued expenses and deferred income".

Current capital and income tax expenses are reported in the income statement under "Taxes".

2.3.15 Off-balance sheet transactions

Off-balance sheet transactions are recognised at their nominal value. For foreseeable risks, provisions are raised under liabilities in the balance sheet.

2.3.16 Pension obligations

Deutsche Bank (Switzerland) Ltd. operates a staff pension foundation for its employees. The Bank's pension obligations and the assets serving as cover are held separately by this legally autonomous foundation. The pension scheme is treated as a defined-contribution scheme under Swiss GAAP FER 16. The pension scheme contributions made by Deutsche Bank (Switzerland) Ltd. are recognised as personnel expenses. The employee pension fund provides both mandatory and supplementary cover. The insurance scheme is based on a semi-autonomous policy, with death and invalidity risks reinsured externally.

The Bank determines annually whether the pension fund results in a financial benefit or a financial liability for Deutsche Bank (Switzerland) Ltd. An economic benefit is used only for the insured party and is therefore not recognised in the balance sheet by the Bank, but the Bank does disclose it in the Notes to the financial statements. Any financial liability is reported under the item "Provisions"; the establishment and reversal of the provisions is reported under the item "Personnel expenses".

2.3.17 Employee share ownership programmes

Employee share ownership programmes are in place for the members of Executive Board and for employees. Employees receive bearer shares in the Deutsche Bank Group according to their seniority, hierarchy level and individual work performance. For the sale of these shares, there is a vesting period of at least four years.

The liability is recorded under "Accrued expenses and deferred income" and valued on each balance sheet date. The resulting change to the fair value is adjusted in the income statement under the item "Personnel expenses".

2.3.18 Changes to the accounting and valuation principles

Effective as of January 1, 2020, the Bank has adopted the new FINMA Accounting Ordinance and FINMA Circ. 2020/1 "Accounting – banks". The revised accounting rules introduce two new approaches to value adjustments for non-impaired loans (inherent risks of default and expected loss) while keeping the value adjustments models for impaired loans unchanged. Except for the changes to value adjustments for non-impaired loans, the accounting rules for banks remained largely unchanged.

The revised accounting rules are introducing a proportional approach to value adjustments for default risks according to the FINMA risk category for banks. Banks in categories 4 and 5 may continue to apply the existing approach with value adjustments for latent default risks.

As a FINMA Category 4 Bank, the Bank makes use of the option according to Art. 25 para. 1 let. c FINMA Accounting Ordinance and continues to apply the existing approach with value adjustments for latent default risks.

2.3.19 Recognition of business transactions

All business transactions completed on the balance sheet date are recognised in the Bank's books on the trade date and are valued from that time in accordance with the principles set out above. Foreign exchange spot transactions and foreign exchange forwards that have been traded but not yet settled are reported in the balance sheet from the value date. These transactions are reported under "Positive replacement values of derivative financial instruments" or "Negative replacement values of derivative financial instruments" between the trade date and the settlement date.

2.3.20 Treatment of overdue interest charges

Overdue interest charges and corresponding fees are not collected as interest earned. Interest charges and fees that have been due for more than 90 days but have not been paid, however, are recognised as such. In the event of current account limits, interest charges and fees are considered to be overdue if the approved credit limit has been exceeded for more than 90 days. Overdue interest charges are not cancelled retroactively. The amounts due from interest charges that accumulated before the expiry of the 90-day period are written off under the item "Changes in value adjustments for default risks and losses from interest operations".

2.3.21 Foreign currency translation

Transactions in foreign currencies are recognised at the current rate. On the balance sheet date, assets and liabilities are translated at the closing rate (average rate on the balance sheet date). The gains or losses resulting from foreign currency translation are recognised under "Result from trading activities and the fair value option".

The following rates are used for currency translation:

	31.12.2020	31.12.2019
USD	0.88394	0.96837
EUR	1.08155	1.08700
GBP	1.20830	1.28282
JPY	0.00856	0.00891

2.3.22 Treatment of the refinancing of trading positions

Refinancing costs for trading are not debited to trading income.

3 Risk Management

3.1 Information on risk management

Given our broad range of business activities, it is crucial to identify, measure, aggregate and manage risks effectively and to support our various business activities with adequate capital.

We have dedicated and integrated Legal, Risk & Treasury functions, which operate independently of the business areas. The importance of focusing heavily on risk management and the ongoing need to enhance risk management practices became particularly evident during the last financial market crisis.

The Board of Directors is kept apprised of the situation with regard to the Bank's assets, liabilities, liquidity, capital and financial results as well as the related risks. The Board of Directors has reviewed an analysis of the material risks to which the Bank is exposed, based on data and tools used by the Bank as part of its risk management process. Risk management essentially addresses interest rate risks, other market risks, credit risks, operational risks and liquidity risks. Within this review, the Board of Directors has also included the internal control system, which monitors and mitigates risk. Internal Audit regularly reviews the Bank's internal control system and reports its findings to the Audit Committee and the Board of Directors.

The Asset and Liability Committee (ALCO) is responsible for balance sheet management, including investment of the Bank's own funds.

3.2 Market risk

The market risks arising from interest rate exposure in the Bank's books and currency risks are monitored using a Group-wide value-at-risk model and interest rate sensitivity risk analysis. However, capital backing requirements for market risks are determined using the standard method provided for in Art. 82, para. 1 (b), CAO. As at the end of 2020, there were no significant outstanding risk positions.

3.3 Credit risk

The Board of Directors has approved the credit risk appetite and general guidelines in the "Credit Risk Management Principles of Deutsche Bank (Switzerland) Ltd.". Under these guidelines, the Board of Directors' Credit Committee has the ultimate power to approve loans. The Head of Risk Management or his deputy kept the Board of Directors informed about the quality and development of the credit portfolio at four ordinary meetings of the Board of Directors. The Risk Management team forms part of the Deutsche Bank Group's integrated Risk Management function, which reports to the Chief Risk Officer of the Deutsche Bank Group. Credit risk, in addition to operational risk, is the main component of the Bank's overall risk. The Bank measures and manages this risk in accordance with the following principles:

— Credit decisions are made on the basis of uniform standards in all parts of the Group.
— Approval of credit limits for business partners and management of our individual loan commitments must comply with our portfolio guidelines and credit strategies.
— Each loan granted and any material change in a credit facility extended to a business partner (e. g. duration, collateral structure or key contractual conditions) must be approved at the appropriate authorisation level.
— Staff with the requisite qualifications, experience and training are authorised to approve loans, and this authorisation is reviewed on a regular basis.

Credit risk rating

One key element of the loan approval process is the performance of a detailed risk assessment of every loan granted to a business partner. The risk assessment takes account of the business partner's creditworthiness, the collateral provided including any relevant safety margins, and other relevant risks for the credit facility or loan. The resulting risk rating not only affects the structure of the transaction and the credit decision but also determines the authorisation required for the granting or renewal of the loan or any material changes to its term and defines the extent of monitoring required in each individual case.

The Bank uses internal valuation methods, score cards and a rating scale to assess its business partners' creditworthiness. Our 21-notch rating scale is calibrated with reference to the measure of probability of default based on statistical analyses of historical defaults in our portfolio. This scale makes it possible to compare internal ratings with market practices and enhances the mutual comparability of the various sub-portfolios. Loan commitments are generally measured individually. When the Bank determines internal risk ratings for its business partners, it compares its assessments with the risk ratings given by leading international rating agencies, wherever possible.

3.4 Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulties in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Asset and Liability Committee (ALCO) is responsible for the oversight of the implementation of the Bank's policy for managing liquidity risk. Treasury manages the Bank's liquidity position on a day-to-day basis. Liquidity reports are submitted regularly to the ALCO.

The Bank's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

3.5 Operational risks

The Bank has implemented a framework for managing operational risks which includes:
- collecting, categorising and analysing loss data as part of a variety of risk management processes and for senior management information
- analysing the root causes of significant operational risk events and subsequent follow-ups
- analysing information from external sources such as FINMA, SNB or Swiss Bankers Association related to operational risks
- risk & control assessment processes comprising bottom-up assessments of the risks generated by business and infrastructure functions, and the effectiveness of the controls in place to manage them in line with DB Group standards.
- internal reports (compliance reports, internal audit reports etc.) and reports of external auditors
- monitoring of the operational risk profile by use of key risk indicators

The Group guidelines for managing operational risks define the tasks and responsibilities for management and reporting. The provisions contained in these guidelines are supplemented by divisional standards and internal directives. By maintaining back-up systems, we help minimise the operational risks arising from the utilisation of our communications, IT and processing systems. The Bank provides ongoing staff training to rectify operational shortcomings and limit errors. Internal directives are continually adapted to meet the latest requirements.

The Compliance and Legal departments ensure that the Bank's business activities comply with the applicable regulatory guidelines and due diligence obligations. They are responsible for reviewing requirements and developments introduced by the supervisory authorities, legislative bodies and other organisations. Compliance with the "know-your-customer" principle and the provisions of the Anti-Money Laundering Act is considered very important. The principles for preserving the Group's reputation have been revised and apply to all Deutsche Bank units in Switzerland. The Deutsche Bank (Switzerland) Ltd. Executive Board is responsible for reviewing specific risks.

4 Business Policy for the Use of Derivative Financial Instruments

Derivative financial instruments are used for trading purposes.

Trading in derivative financial instruments takes place with standardised and OTC instruments on the Bank's behalf and on behalf of clients. No trading takes place in credit derivatives, and the Bank does not engage in market making.

5 Explanation of the Method Used to Identify Default Risks and Determine Whether a Value Adjustment Is Needed

Methods used for identifying default risk

A counterparty is in default when a payment obligation is past due for more than 90 days or when the Bank expects that an exposure will not be fully recovered. The Bank identifies default risks based on the occurrence of loss events. A loss event occurs when there are conclusive signs that future contractual payments of principal and / or interest become unlikely or, at the latest when these payments are more than 90 days overdue. Exposures for which a loss event has occurred are generally considered as impaired. Value adjustments for default risks are deducted from the corresponding assets, except for off-balance sheet exposures, for which a provision is recorded.

Value adjustments and provisions for impaired exposures

Value adjustments on impaired loans are determined individually by counterparty according to Art. 24 para. 4 FINMA Accounting Ordinance. Impaired exposures and any collateral are valued at their liquidation value, taking into consideration the counterparties' creditworthiness.

6 Explanation of the Valuation of Collateral, in Particular Key Criteria for the Calculation for the Current Market Value and the Lending Value

The Bank has set out the methods, procedures and responsibilities for the valuation of collateral for loans in specific directives and procedures. The valuation of mortgage collateral is based on recognized valuation methods including hedonic models, discounted cash flow models and expert appraisals depending on the property type and transaction. The models used and critical valuation parameters are regularly reviewed.

Loan-to-value ratios for mortgage lending are based on the marketability of the property including additional parameters like location or type of property (residential, commercial etc.). For loans secured by financial assets, loan-to-value ratios are based on the risks of the collateral (volatility, liquidity etc.). Financial assets are valued at the current market price or at a price determined by a valuation model.

7 Events after the Reporting Period

There were no events after the year-end that had a significant influence on the 2020 result.

8 Reasons for the Premature Resignation of the Auditor

In line with the appointment of Ernst & Young as Group Auditor for Deutsche Bank AG, E&Y Switzerland AG has been elected as statutory auditor at the last Annual General Meeting of Shareholders. The statutory auditor did not resign prematurely from its function.

9 Information on the Balance Sheet

9.1 Presentation of collateral for loans and off-balance-sheet transactions, as well as impaired loans

CHF 000		Type of collateral Secured by mortgage	Type of collateral Other collateral	Type of collateral Unsecured	Type of collateral Total
Loans (before netting with value adjustments)					
Amounts due from customers		21,369	2,431,202	61,114	2,513,685
Mortgage loans		1,767,308	–	–	1,767,308
Residential property		1,084,476	–	–	1,084,476
Office and business premises		680,975	–	–	680,975
Total loans (before netting with value adjustments)	31.12.2020	1,788,677	2,431,202	61,114	4,280,993
	31.12.2019	1,654,980	2,172,576	27,793	3,855,349
Total loans (after netting with value adjustments)	31.12.2020	1,786,820	2,431,202	51,996	4,270,018
	31.12.2019	1,651,872	2,172,576	27,793	3,852,241
Off-balance sheet					
Contingent liabilities		–	100,019	6,463	106,482
Irrevocable commitments		4,796	4,783	2,574	12,153
Obligation to pay up shares and make further contributions		–	26,438	–	26,438
Total off-balance sheet	31.12.2020	4,796	131,240	9,037	145,073
	31.12.2019	4,425	130,754	41,409	176,588

CHF 000		Gross debt amount	Estimated liquidation value of collateral	Net debt Amount	Individual value adjustments
Impaired loans	31.12.2020	23,094	12,119	10,975	10,975
	31.12.2019	14,140	11,032	3,108	3,108

9.2 Breakdown of trading portfolios and other financial instruments at fair value (assets and liabilities)

CHF 000	31.12.2020	31.12.2019
Assets		
Trading portfolio assets		
Equity securities	130	5
Total trading portfolio assets	130	5
	–	–
Total assets	130	5

9.3 Presentation of derivative financial instruments (assets and liabilities)

In CHF 000		Trading instruments Positive replacement values	Trading instruments Negative replacement values	Trading instruments Contract volume	Hedging instruments Positive replacement values	Hedging instruments Negative replacement values	Hedging instruments Contract volume
Interest rate instruments							
Swaps		22,860	22,860	1,159,161	–	–	–
Foreign exchange / precious metals		–	–	–	–	–	–
Forward contracts		31,569	30,014	3,535,087	–	–	–
Options (OTC)		68,704	68,704	3,297,619	–	–	–
Equity securities / indices		–	–	–	–	–	–
Options (OTC)		465	465	22,471	–	–	–
Total before netting agreements	31.12.2020	123,598	122,043	8,014,338	–	–	–
	of which determined using a valuation model	92,029	92,029	4,479,251	–	–	–
	31.12.2019	100,947	100,118	8,444,405	–	–	–
	of which determined using a valuation model	71,562	71,562	5,727,455	–	–	–

In CHF 000		Positive replacement values (cumulative)	Negative replacement values (cumulative)
Total after netting agreements	31.12.2020	123,598	122,043
	31.12.2019	100,947	100,118

In CHF 000	Central clearing houses	Banks and securities dealers	Other customers
Breakdown by counterparty			
Positive replacement values (after netting agreements)	–	24,355	99,243

9.4 Breakdown of financial investments

In CHF 000	Book value 31.12.2020	Book value 31.12.2019	Fair Value 31.12.2020	Fair Value 31.12.2019
Breakdown of financial investments				
Debt instruments	4,137	18,450	4,137	18,654
of which not intended to be held to maturity (available for sale)	4,137	18,450	4,137	18,654
Equity securities	60	67	91	99
Precious metals	61,504	59,285	61,504	59,285
Total	65,701	77,802	65,732	78,038
of which securities eligible for repo transactions in accordance with liquidity requirements	4,137	16,747	4,137	16,948

In CHF 000						
Breakdown of counterparties by rating	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Lower than B-	Not rated
Book value of debt instruments	4,137	–	–	–	–	–

Rating for debt instruments according to Standard & Poor's (S&P). Where no rating from S&P is available, the Moody's rating is applied.

9.5 Participations

The share of the total capital in SIX Group AG remains unchanged at 1.4% compared to the previous year. The book value is CHF 1.00.

9.6 Presentation of tangible fixed assets

in CHF 000	Acquisition cost	Accumulated depreciation	Carrying amount 31.12.2019	2020 Reclassification	2020 Additions	2020 Disposals	2020 Depreciation	2020 Reversals	Carrying amount 31.12.2020
Proprietary or separately acquired software	25,303	-10,906	14,397	–	4,063	–	-2,495	–	15,965
Other tangible fixed assets	83,320	-69,947	13,373	–	2,013	–	-2,653	–	12,733
Total tangible fixed assets	108,623	80,853	27,770	–	6,076	–	-5,148	–	28,698

The acquisition cost of proprietary or separately acquired software was adjusted by CHF 20 million in 2020, in respect of software that is no longer used and has been fully depreciated in prior years.
The acquisition cost of other tangible fixed assets was adjusted by CHF 11 million in 2020, in respect of tangible fixed assets that are no longer used and have been fully depreciated in prior years.

in CHF 000	31.12.2020
Operating leases	
Future lease payments	
Within 1 year	7,610
From 1 to 5 years	5,988
More than 5 years	5,988
Total of future lease payments	19,586
of which commitments that can be terminated within one year	34

Tangible fixed assets are written off on a linear basis over a period based on a conservative estimate of their useful life under the item "Value adjustments on equity participations and write-offs on tangible fixed assets and intangible assets". The estimated useful life of a given category of tangible fixed assets is as follows:

Asset category	Useful life
Additions to / renovation of leasehold properties	10 years
Acquired or self-developed software for core banking systems	10 years
Furniture	8 years
Operating equipment, telecommunications	5 years
Acquired or self-developed software (except for core banking systems)	5 years

9.7 Intangible assets

CHF 000	Cost value	Accumulated amortisation	Carrying amount 31.12.2019	Additions 2020	Disposals 2020	Amortisation 2020	Carrying amount 31.12.2020
Licenses	3,879	-2,768	1,111	50	–	-961	200
Total intangible assets	3,879	-2,768	1,111	50	–	-961	200

Asset category	Useful life
Licenses	3 years

9.8 Breakdown of other assets and other liabilities

CHF 000	31.12.2020	31.12.2019
Other assets		
Indirect taxes	5,341	2,441
Others	18,538	12,032
Total other assets	23,879	14,473
Other liabilities		
Indirect taxes	2,900	1,666
Other liabilities	46,531	24,385
Total other liabilities	49,431	26,051

9.9 Disclosure of assets pledged or assigned to secure own commitments and of assets under reservation of ownership*

CHF 000	31.12.2020 Book value	31.12.2020 Effective commitments	31.12.2019 Book value	31.12.2019 Effective commitments
Assets pledged or assigned as collateral for own liabilities				
Amounts due from banks	28,462	–	24,162	–
Total assets pledged or assigned as collateral for own liabilities	28,462	–	24,162	–

* without securities financing transactions

9.10 Disclosure of liabilities relating to own pension schemes, and number and nature of equity instruments of the Group held by own pension schemes

in CHF 000	31.12.2020	31.12.2019
Liabilities relating to own pension schemes		
Amounts due to customers	23,426	20,698
Negative replacement values of financial instruments	2,058	1,902
Total liabilities relating to own pension schemes	25,484	22,600

The Group's pension fund does not hold equity securities of Deutsche Bank Group.

9.11 Disclosure on the economic situation of own pension schemes

CHF 000	31.12.2020 Nominal value[1]	31.12.2020 Waiver of use	31.12.2020 Net amount	31.12.2019 Net amount	Influence of the ECR on personnel expenses 2020	2019
Employer contribution reserves (ECR)						
Pension fund of Deutsche Bank and affiliated companies	486	–	486	12,383	–	11,897
Pension fund of former Sal. Oppenheim jr. & Cie, Switzerland	727	–	727	727	–	–
Total	1,213	–	1,213	13,110	–	11,897

1) Share of Deutsche Bank (Switzerland) Ltd

CHF 000	Surplus / deficit coverage 31.12.2020	Economic share of the Bank 31.12.2020	Economic share of the Bank 31.12.2019	Change from previous year	Amounts paid for 2020	Pension fund expenses in personnel expenses 31.12.2020	Pension fund expenses in personnel expenses 31.12.2019
Presentation of economic benefit / financial liabilities and pension expenses							
Pension plans with overfunding:							
Pension fund of Deutsche Bank (Switzerland) and affiliated companies	63,793	–	–	–	–	12,011	–
Pension fund of Bank Sal. Oppenheim jr. & Cie, Switzerland	10,102	–	–	–	–	–	–
Pension plans with underfunding	–	–	–	–	–	–	–
Total	73,896	–	–	–	–	12,011	–

Basis:
Audited financial statement 2019 of the Pension Fund including the Deutsche Bank (Switzerland) Ltd. Employer Contribution Reserves according to FER 26.
Audited financial statement 2019 of the pension fund of Bank Sal. Oppenheim jr. & Cie (Switzerland) Ltd.

The overfunding of the pension fund from Deutsche Bank and affiliated companies was 115.9% as per year end 2019 (previous year 110.3%), which does not represent an economic benefit.

9.12 Presentation of value adjustments and provisions, reserves for general banking risks, and changes therein during the current year

in CHF 000	Balance at 31.12.2019	2020 Use in conformity with designated purpose	2020 Re-classifications	2020 Currency differences	2020 Past Due interest, recoveries	2020 New charges charged to income	2020 Releases to income	Balance at 31.12.2020
Provisions for pension benefit obligations	2,140	-195	–	–	–	93	-	2,038
Provisions for restructuring	3,270	-3,803	–	–	–	1,231	-589	109
Other provisions	75,467	-3,480	–	-342	–	1,573	-2,014	71,204
Total provisions	80,877	-7,478	–	-342	–	2,897	-2,603	73,351
Reserves for general banking risks	14,000	–	–	–	–	–	–	14,000
Value adjustments for default and country risks	3,108	–	–	-282	–	9,575	-1,426	10,975
thereof, value adjustments for default risks in respect of impaired loans / receivables	3,108	–	–	-282	–	9,575	-1,426	10,975

Other provisions mainly include silent reserves and legal provisions as well as staff-related provisions.
The reserves for general banking risks are taxed.

9.13 Presentation of the Bank's capital

	31.12.2020 Nominal value CHF 000	31.12.2020 No. of shares	31.12.2020 Capital entitled to dividend CHF 000	31.12.2019 Nominal value CHF 000	31.12.2019 No. of shares	31.12.2019 Capital entitled to dividend CHF 000
Bank's capital						
Share capital	100,000	100,000	100,000	100,000	100,000	100,000
of which is fully paid in	100,000	100,000	100,000	100,000	100,000	100,000
Total Bank's capital	100,000	100,000	100,000	100,000	100,000	100,000

9.14 Number and value of shares or options on equity securities held by all executives and directors and by employees, and disclosures on any employee participation scheme

	No. of participation rights 31.12.2020	Value of participation rights 31.12.2020 (CHF 000)	No. of participation rights 31.12.2019	Value of participation rights 31.12.2019 (CHF 000)
Members of the General Management	112,073	1,097	216,057	1,635
Employees	457,661	4,433	336,214	2,827
Total	569,734	5,530	552,271	4,462

The group operates incentive plans under which eligible employees are awarded share units depending on seniority, hierarchy and individual performance.

Restricted Equity Awards
The deferred equity portion is delivered as a Restricted Equity Award ("REA") which vests on a pro rata basis over four years. (or four and a half years in the case of the Senior Management Group).

Restricted Incentive Awards
The non-equity based portion is granted as deferred cash compensation (Restricted Incentive Award, "RIA") which vests on a pro rata basis over four years. Specific forfeiture provisions apply during the deferral period.

Equity Upfront Awards
In addition to the above deferred awards, all Material Risk Takers receive 50% of their upfront (non-deferred) award in the form of an Equity Upfront Award ("EUA"). The EUA is vested at grant but it is subject to a 12-month retention period. The value of the EUA is linked to the Bank's share price during the retention period and is therefore tied to the sustained performance of the Bank. Specific forfeiture provisions apply during the retention period in addition to a service requirement.

The total cost for the year of the employee share participation plan amounts to CHF 2,985,913.
This amount is booked in the position "Staff expenses".

9.15 Disclosure of amounts due from / to related parties

CHF 000	Amounts due from 31.12.2020	Amounts due from 31.12.2019	Amounts due to 31.12.2020	Amounts due to 31.12.2019
Group companies	3,012,642	2,997,574	4,845,899	4,505,755
Associated companies	92,097	47,899	26,004	19,798
Transactions with members of governing bodies	–	–	1,529	45
Other related parties	–	4	819	582

Loans and advances to governing bodies are amounts due from members of the Board of Directors, Management Board, the statutory auditors as well as companies they control. Loans to the governing bodies are advanced with the usual conditions for Bank staff and loans to companies controlled by these are granted in accordance with the usual conditions for Bank customers.

There are no material off-balance-sheet transactions with governing bodies or related parties.

9.16 Disclosure of significant equity holders

CHF 000	31.12.2020 Nominal	31.12.2020 Percentage	31.12.2019 Nominal	31.12.2019 Percentage
Significant shareholders and groups of shareholders with voting rights.				
With voting rights				
Deutsche Holdings (Luxembourg) S.à r.l., Luxembourg	100,000	100 %	100,000	100 %

Deutsche Holdings (Luxembourg) S.à r.l., a wholly owned subsidiary of Deutsche Bank AG, Frankfurt am Main, is the sole shareholder and holds all voting rights.
BlackRock Inc., New York has held 5.23% of the Deutsche Bank shares since December 2020 (2019: 4.45%).
No other shareholders are known to be holding 5% or more of the capital stock or voting rights of Deutsche Bank AG as at 31.12.2020.

9.17 Disclosure of own shares and composition of the capital stock

CHF 000	31.12.2020	31.12.2019
Non-distributable reserves		
Non-distributable capital reserves	2,829	2,829
Non-distributable reserves from retained earnings	47,171	47,171
Total of non-distributable reserves	50,000	50,000

9.18 Presentation of the maturity structure of financial instruments

CHF 000	At sight	Callable	Due within 3 months	Due within 3 to 12 months	Due within 12 months to 5 years	Due after 5 years	No maturity	Total
Assets / financial instruments								
Liquid assets	1,122,477	–	–	–	–	–	–	1,122,477
Amounts due from banks	251,279	80,241	2,017,729	377,301	270,337	44,197	–	3,041,084
Amounts due from customers	616	73,209	2,059,397	124,252	177,422	69,671	–	2,504,567
Mortgage loans	–	12,120	276,869	246,047	1,219,275	11,140	–	1,765,451
Trading portfolio assets	130	–	–	–	–	–	–	130
Positive replacement values of derivative financial instruments	123,598	–	–	–	–	–	–	123,598
Financial investments	65,701	–	–	–	–	–	–	65,701
Total 31.12.2020	1,563,801	165,570	4,353,995	747,600	1,667,034	125,008	–	8,623,008
Total 31.12.2019	1,206,943	116,794	3,903,528	834,926	1,728,505	71,288	–	7,861,984
Debt capital / financial instruments								
Amounts due to banks	10,001	–	2,817,452	398,950	1,393,762	80,811	–	4,700,976
Amounts due in respect of customer deposits	2,979,680	7,854	136,711	61,472	–	–	–	3,185,717
Negative replacement values of derivative financial instruments	122,043	–	–	–	–	–	–	122,043
Total 31.12.2020	3,111,724	7,854	2,954,163	460,422	1,393,762	80,811	–	8,008,736
Total 31.12.2019	2,739,330	–	2,016,928	1,053,709	1,407,163	22,869	–	7,239,999

9.19 Presentation of assets and liabilities by domestic and foreign origin in accordance with the domicile principle

CHF 000	31.12.2020 Domestic	31.12.2020 Foreign	31.12.2019 Domestic	31.12.2019 Foreign
Assets				
Liquid assets	1,121,372	1,105	834,504	1,210
Amounts due from banks	17,046	3,024,038	22,054	2,973,221
Amounts due from customers	305,167	2,199,400	279,299	1,933,285
Mortgage loans	113,820	1,651,631	12,823	1,626,834
Trading portfolio assets	–	130	–	5
Positive replacement values of derivative financial instruments	7,885	115,713	2,504	98,443
Financial investments	65,687	14	76,086	1,716
Accrued income and prepaid expenses	6,960	150,117	16,062	126,484
Non-consolidated participations	–	–	–	–
Tangible fixed assets	28,698	–	27,770	–
Intangible assets	200	–	1,111	–
Other assets	12,645	11,234	13,654	819
Total assets	1,679,480	7,153,382	1,285,867	6,762,017

CHF 000	31.12.2020 Domestic	31.12.2020 Foreign	31.12.2019 Domestic	31.12.2019 Foreign
Liabilities				
Amounts due to banks	4,281	4,696,695	4,610	4,381,645
Amounts due in respect of customer deposits	442,291	2,743,426	544,111	2,209,515
Amounts due from trading portfolio assets	–	–	–	–
Negative replacement values of derivative financial instruments	9,329	112,714	9,540	90,578
Accrued expenses and deferred income	47,382	69,177	55,193	60,062
Other liabilities	35,213	14,218	15,514	10,537
Provisions	73,351	–	80,877	–
Reserves for general banking risks	14,000	–	14,000	–
Bank's capital	100,000	–	100,000	–
Capital reserve	168,158	–	168,158	–
Legal reserve	47,171	–	47,171	–
Retained earnings reserve	254,338	–	254,338	–
Profit carried forward / loss carried forward	2,035	–	–	–
Profit / loss (result for the period)	-917	–	2,035	–
Total liabilities	1,196,632	7,636,230	1,295,547	6,752,337

9.20 Breakdown of total assets by country or group of countries (domicile principle)

CHF 000	31.12.2020 Absolute	31.12.2020 %	31.12.2019 Absolute	31.12.2019 %
Switzerland	1,679,480	19.0%	1,285,867	16.0%
Rest of Europe	5,648,847	64.0%	5,425,116	67.4%
North America	37,079	0.4%	33,490	0.4%
South America	904,582	10.2%	797,879	9.9%
Asia	384,627	4.4%	344,191	4.3%
Africa	166,882	1.9%	155,422	1.9%
Australia / Oceania	11,365	0.1%	5,919	0.1%
Total assets	8,832,862	100%	8,047,884	100.0%

9.21 Breakdown of total assets by credit rating of country groups (risk domicile view)

CHF 000		31.12.2020 Absolute	31.12.2020 %	31.12.2019 Absolute	31.12.2019 %
Internal rating system	Standard & Poor's rating				
1 - Superior	AAA to AA-	7,872,488	89.2%	7,049,146	87.6%
2 - Good	A+ to A-	154,337	1.7%	172,157	2.1%
3 - Medium	BBB+ to BBB-	577,607	6.5%	642,381	8.0%
4 - Speculative	BB+ to B-	165,641	1.9%	165,637	2.0%
5 - Risk	CCC+ and lower	9,986	0.1%	13,381	0.2%
6 - No rating	No rating	52,803	0.6%	5,182	0.1%
Total assets		8,832,862	100.0%	8,047,884	100.0%

Rating for debt instruments according to Standard & Poor's (S&P).
Where no rating from S&P is available, the Moody's rating is applied.

9.22 Presentation of assets and liabilities broken down by the most significant currencies for the Bank

CHF 000	31.12.2020 CHF	31.12.2020 EUR	31.12.2020 USD	31.12.2020 Others
Assets				
Liquid assets	1,120,936	1,417	82	42
Amounts due from banks	104,227	1,010,672	1,523,964	402,221
Amounts due from customers	194,276	962,665	1,144,726	202,900
Mortgage loans	85,700	67,774	–	1,611,977
Trading portfolio assets	–	–	4	126
Positive replacement values of derivative financial instruments	34,585	18,966	57,379	12,668
Financial investments	4,184	13	–	61,504
Accrued income and prepaid expenses	21,933	124,477	6,026	4,641
Non-consolidated participations	–	–	–	–
Intangible assets	28,698	–	–	–
Tangible fixed assets	200	–	–	–
Other assets	11,036	11,888	274	681
Total assets shown in balance sheet	1,605,775	2,197,872	2,732,455	2,296,760
Delivery entitlements from spot exchange, forward forex and forex options transactions	1,533,966	1,594,510	1,887,370	1,823,197
Total assets	3,139,741	3,792,382	4,619,825	4,119,957

CHF 000	31.12.2020 CHF	31.12.2020 EUR	31.12.2020 USD	31.12.2020 Others
Liabilities				
Amounts due to banks	570,050	1,237,570	1,106,654	1,786,702
Amounts due in respect of customer deposits	286,252	839,798	1,566,505	493,162
Negative replacement values of derivative financial instruments	33,030	18,966	57,379	12,668
Accrued expenses and deferred income	28,389	78,943	6,065	3,162
Other liabilities	18,257	28,880	2,043	251
Provisions	68,953	226	4,172	–
Reserves for general banking risks	14,000	–	–	–
Bank's capital	100,000	–	–	–
Capital reserve	168,158	–	–	–
Legal reserve	47,171	–	–	–
Retained earnings reserve	254,338	–	–	–
Profit carried forward / loss carried forward	2,035	–	–	–
Profit / loss (result for the period)	-917	–	–	–
Total liabilities shown in the balance sheet	1,589,716	2,204,383	2,742,818	2,295,945
Delivery obligations from spot exchange, forward forex and forex options transactions	1,535,069	1,597,544	1,882,373	1,822,407
Total liabilities	3,124,785	3,801,927	4,625,191	4,118,352
Net position per currency	14,956	-9,545	-5,366	1,605

9.23 Breakdown of contingent liabilities and contingent assets

CHF 000	31.12.2020	31.12.2019
Guarantees to secure credits and similar	88,696	109,627
Performance guarantees and similar	17,786	21,356
Total contingent liabilities	106,482	130,983

9.24 Breakdown of fiduciary transactions

CHF 000	31.12.2020	31.12.2019
Fiduciary deposits with third-party companies	261,681	652,289
Fiduciary deposits with Group companies and affiliated companies	1,395,241	2,411,890
Total fiduciary transactions	1,656,922	3,064,179

9.25 Breakdown of managed assets and presentation of their development

CHF 000	31.12.2020	31.12.2019
Type of managed assets		
Assets under discretionary asset management agreements	3,322,799	3,264,920
Other managed assets	18,099,700	18,511,064
Total managed assets (including double counting)	21,422,499	21,775,984
of which are double counting	–	–
of which are Wealth Management	21,422,499	21,775,984

CHF 000	31.12.2020	31.12.2019
Presentation of the development of managed assets		
Total managed assets (including double counting) at the beginning of the period	21,775,984	24,892,753
+/- net new money inflow or net new money outflow	953,433	-2,524,914
+/- price gains / losses, interest, dividends and currency gains / losses	-1,306,918	1,614,756
+/- other effects*	–	-2,206,611
Total managed assets (including double counting) at the end of the period	21,422,499	21,775,984
of which are net new money inflow / outflow Wealth Management	953,433	-2,524,914

* Assets under management reclassified to “Custody only” assets.

Assets under management consist of clients assets held or managed by the Bank for investment purposes. These assets can, in turn, be broken down into discretionary asset management mandates and other client assets. “Custody only” assets are defined as assets deposited at the Bank for transaction and custodial purposes only. Here, the Bank provides no further services to the client.

“Custody only” assets are not included in assets under management. Only deposits and the withdrawal of cash and deliveries or transfers of securities are taken into account when computing net new assets inflow and outflow. The net new assets do not include interest, commissions and fees charged.

10 Information on the Income Statement

10.1 Breakdown of the result from trading activities and the fair value option

CHF 000	2020	2019
Breakdown by business area		
Result from trading from commercial customers	193	191
Result from trading from private customers	9,188	6,829
Result from own trading	40	112
Total result from trading activities	9,421	7,132

CHF 000	2020	2019
Breakdown by underlying risk and based on the use of the fair value option		
Result from trading activities from		
Interest rate instruments (including funds)	-85	51
Equity securities (including funds)	44	–
Foreign currencies	9,462	7,081
Total result from trading activities	9,421	7,132

10.2 Disclosure of material refinancing income in the item “Interest and discount income” as well as material negative interest

Refinancing income related to “Interest and discount income”

No refinancing costs of the trading assets portfolio have been credited to the position “Interest and discount income”

Negative interest

Asset-related negative interest is debited to “Interest and discount income”.
Liability-related negative interest states as in reduction of “Interest expenses”

CHF 000	2020	2019
Asset-related negative interest (reduction in interest and discount income)	4,144	4,103
Liability-related negative interest (reduction in interest expense)	1,041	452

10.3 Breakdown of personnel expenses

CHF 000	2020	2019
Salaries (meeting attendance fees and fixed compensation to members of the bank's governing bodies, salaries and benefits)	107,963	117,249
of which expenses relating to share-based compensation and alternative forms of variable compensation	19,461	22,277
Social insurance benefits	21,836	10,190
Other personnel expenses	2,785	13,343
Total personnel expenses	132,584	140,782

Personnel:
The number of employees decreased from 526 to 466.
This corresponds to a full-time equivalent of 450.5 (previous year: 490.1) employees.

10.4 Breakdown of general and administrative expenses

CHF 000	2020	2019
Office space expenses	8,064	14,115
Expenses for information technology and communications technology	46,420	49,279
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	340	512
Fees of audit firm	1,050	1,040
of which for financial and regulatory audits	1,050	1,040
of which for other services	–	–
Other operating expenses	55,477	73,748
Total general and administrative expenses	111,351	138,694

10.5 Explanations regarding material losses, extraordinary income and expenses, as well as material releases of hidden reserves, reserves for general banking risks, and value adjustments and provisions no longer required

No material amounts booked over the period 2020.

10.6 Presentation of current taxes, deferred taxes, and disclosure of tax rate

CHF 000	2020	2019
Capital and income tax expenses	1,891	2,293
Total tax expenses	1,891	2,293
Weighted average tax rate (based on business result)	194.1%	7.0%

The tax expenses include taxes not arising from the operating result.

Report of the statutory auditor on the financial statements

Report of the statutory auditor to the General Meeting of Deutsche Bank (Switzerland) Ltd., Geneva

As statutory auditor, we have audited the accompanying financial statements of Deutsche Bank (Switzerland) Ltd., which comprise the balance sheet, income statement, equity statement and notes for the year ended 31 December 2020.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2020 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Philipp Müller *Licensed audit expert* *(Auditor in charge)*	Darko Miodragovic *Licensed audit expert*

Zurich, 25 March 2021

Contact

https://www.db.com/switzerland

Head Office: Geneva

Geneva

Deutsche Bank (Suisse) SA
Place des Bergues 3
P.O. Box
CH-1211 Geneva 1
Telephone +41(0)22 739 01 11

Zurich

Deutsche Bank (Switzerland) Ltd.
Prime Tower
Hardstrasse 201
P.O. Box
CH-8021 Zurich
Telephone +41(0) 44 224 50 00

Deutsche Bank (Switzerland) Ltd.: Independence, expertise and global reach

The Swiss bank with a global background

Deutsche Bank (Switzerland) Ltd. is a bank under Swiss law. It is one of the most important foreign banks in Switzerland and combines a global presence with in-depth knowledge of its domestic market. Swiss and international private and institutional clients and independent asset managers rely on our passion for sustainable financial solutions – both regionally and worldwide. Clients can expect the outstanding service of a Swiss bank while also putting their faith in the strength of Deutsche Bank AG. Switzerland is the centre for the wealth management business in the EMEA region (Europe excluding Germany, Italy and Spain; including Middle East and Africa). In addition, parts of the Emerging Markets and Latin America business are managed from Switzerland.