

Deutsche Bank AG
Hong Kong Branch
Liquidity Information Disclosure
Year Ended December 31, 2016



Deutsche Bank AG (Hong Kong Branch) releases its Liquidity Information Disclosure Statement for the year ended Dec 31, 2016 as follows:-

Deutsche Bank AG (Hong Kong Branch)
Liquidity Information Disclosure for the year ended December 31, 2016

Section A – Branch Information (Hong Kong Office Only)

(i) Liquidity Maintenance Ratio

The liquidity maintenance ratio (LMR) is calculated in accordance with the Banking (Liquidity) Rules effective from 1 January 2015.

	December 31, 2016	June 30, 2016
Average LMR for the period	67.99%	57.88%

The average LMR is arithmetic mean of each calendar month's average LMR calculated in accordance with the Banking (Liquidity) Rules.

(ii) Liquidity risk management

Liquidity risk is defined as the risk arising from the branch's potential inability to meet all payment obligations when due, or to only meet these obligations at excessive costs.

The Group's Management Board (MB) defines the Group's liquidity risk strategy, and in particular the Group's appetite for liquidity risk based on recommendations made by Treasury and/or Liquidity Risk Control (LRC) via Group Risk Committee (GRC). At least once every year the Group's MB will review and approve the limits which are applied to the Group to measure and control liquidity risk as well as the Group's long-term funding and issuance plan. The Branch's liquidity risk management framework is based on the global liquidity risk strategy and risk appetite with considerations of local regulatory requirements.

The Treasury function is responsible for the management of the Branch's liquidity and funding risk as defined in the liquidity risk strategy. The Branch's liquidity risk management framework is designed to identify, measure and manage the Branch's liquidity risk position. Liquidity and Treasury Reporting and Analysis (LTRA) Team is responsible for the internal reporting on liquidity and funding across the firm on a global and local level. In addition Liquidity Risk Control is responsible for the oversight and validation of the branch's liquidity risk management framework.

The Branch's cash-flow based reporting system provides daily liquidity risk information to local management. Stress testing and scenario analysis plays a central role in the Branch's liquidity risk management framework. This also incorporates an assessment of asset liquidity, i.e., the characteristics of the Branch's asset inventory, under various stress scenarios as well as contingent funding requirements from off-balance-sheet commitments. Daily stress test results are used to monitor the Branch's ongoing compliance with the overall liquidity risk appetite.