



## Numis Securities Limited

Incorporated in England & Wales (registration number 02285918)  
Authorised and regulated by the Financial Conduct Authority (Firm Reference Number 144822)

## Investment Firms Prudential Regime Disclosures

For the 15 month period 1 October 2023 to 31 December 2024



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# 1 Introduction

## 1.1 Disclosure requirements

This disclosure document is prepared in accordance with the Financial Conduct Authority's ("FCA") Investment Firms Prudential Regime ("IFPR"), which came into force on 1 January 2022. The IFPR sets out the prudential rules and disclosure requirements in the Prudential sourcebook for MiFID investment firms ("MIFIDPRU"). The disclosures are published to provide stakeholders and market participants with information on governance arrangements, risk management objectives and policies, own funds capital resources and requirements, and the remuneration policies and practices within the firm.

## 1.2 Scope

Numis Securities Limited ("NSL" or "the Firm") is a MiFID investment firm, authorised by the FCA (Firm Reference Number ("FRN") 144822). The IFPR categorises investment firms depending on the size, nature, scale, and complexity of their activities. NSL meets the definition of a non-small and non-interconnected firm (a "non-SNI firm"). NSL is the main operating entity of the Deutsche Numis group of companies, which is regulated by the FCA as an investment firm group.

## 1.3 Basis and frequency of disclosure

The disclosures are made as at 31 December 2024, which was the most recent accounting reference date of the Firm. Relevant updates have been made in this document to reflect the completion of the acquisition of Numis Corporation PLC by Deutsche Bank AG on 13 October 2023 and the transfer of the NSI business activities to Deutsche Bank Securities Inc and the NEL business activities Deutsche Bank AG. The NSL business activities will also be integrated with Deutsche Bank AG in a controlled manner and the accounting period end was extended to 31 December to be coterminous with the wider group.

Senior management has reviewed and approved this document. The disclosures are not subject to audit and do not constitute any form of audited financial statement.

Senior management believes that the publication of this document on the Numis website ([www.numis.com](http://www.numis.com)) is the most appropriate medium and location.

## 1.4 Corporate background

NSL provides UK equity market investment bank services to large, mid, and small cap corporate companies and their investors. The core business areas are:

### Investment Banking:

- Equity capital markets
- Mergers & acquisitions
- Debt advisory
- Retained broker & adviser
- Private capital raising

### Equity Sales, Trading & Execution:

- Sales
- Research (transferred to Deutsche Bank AG in 2024)
- Trading of mainly UK listed companies



## Distribution & execution

On 31 December 2024, NSL had 144 corporate clients in a wide range of sectors.

On 31 December 2024, NSL had 254 employees.

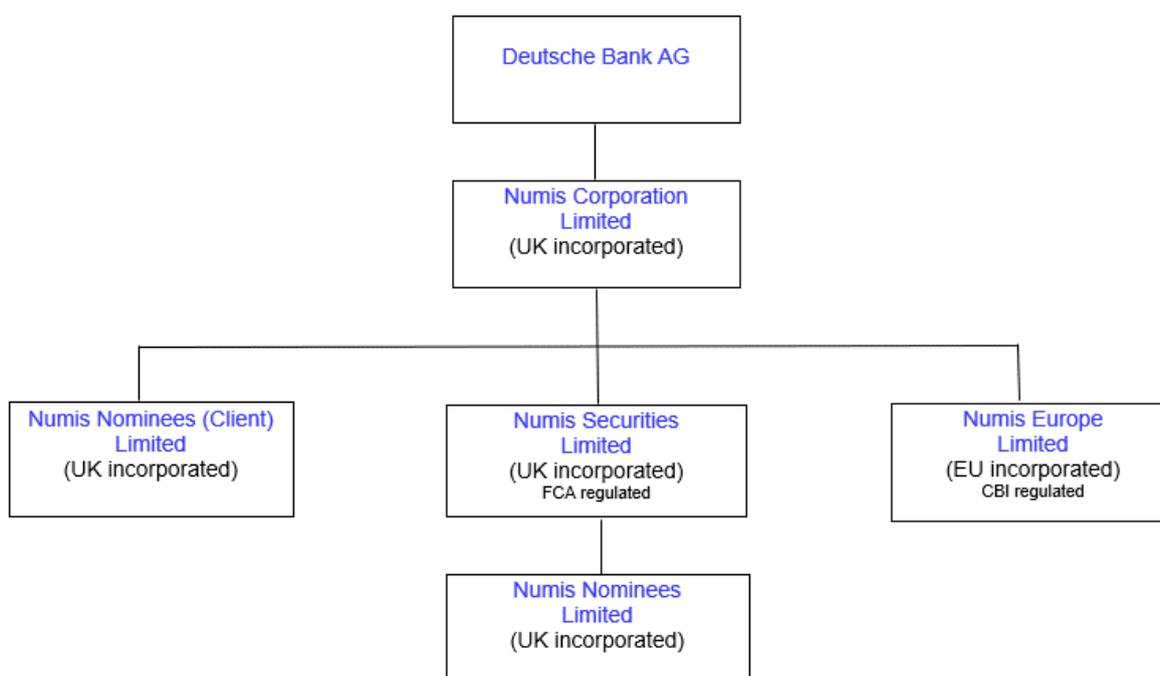


## 2 Governance arrangements

### 2.1 Legal structure

NSL is a wholly owned subsidiary of Numis Corporation Limited (“NCL”). The group structure of legal entities is shown below and reflects the re-registration of Numis Corporation PLC as NCL following the completion of the acquisition of the Numis Corporation PLC by Deutsche Bank AG on 13 October 2023 and the consequent cancellation of admission to trading on AIM of shares in Numis Corporation PLC. On the same date, ownership of Numis Securities Inc (“NSI”), a wholly owned subsidiary of NSL operating in the USA, was sold to Deutsche Bank Americas Holding Corporation. NSI has been deauthorised and wound down. On 15 November 2024, NEL business activities were migrated to Deutsche Bank AG Frankfurt. NEL will be deauthorised by the Central Bank of Ireland (“CBI”) and wound down. Deutsche Bank AG is the ultimate holding company of the Deutsche Numis Group. The “Group” means NCL and its subsidiary undertakings.

#### DEUTSCHE NUMIS GROUP STRUCTURE



#### NCL

NCL performs supervisory roles in respect of the wider Group. Its Legal Entity Identifier (“LEI”) is 213800ARWWDZZCNBHD25.

#### NSL

NSL is the main trading entity of the Group and is based in the UK. It is regulated by the FCA. Its LEI is 213800P3F4RT97WDSX47.

#### Numis Europe Ltd (“NEL”)

NEL is the Group’s operating company in the EU. On 15 November 2024, NEL business activities were transferred to Deutsche Bank AG Frankfurt. NEL will be deauthorised by the Central Bank of Ireland (“CBI”) in 2025.

#### Numis Nominees entities

The Numis Nominees entities are used to hold client and firm assets separately in custody accounts at depositaries.



## 2.2 Group board and committee structure

Deutsche Numis recognises the importance of good corporate governance and strives to adopt and apply best practice. All Deutsche Numis risk management functions ultimately report to the NCL board. The NCL board's fundamental role in the management of risk is to set the tone, risk management strategy, and influence the culture of risk management within the Group to minimise harm to consumers, the financial markets, the firm and other stakeholders. NCL has the following committees which serve the Group:

- Risk Committee – Non-Executive Directors (“NEDs”)

- Audit Committee – NEDs

- Remuneration Committee – NEDs

- Nominations Committee – NCL Chairman and NEDs

Full details of the composition of boards and committees are given on the Deutsche Numis website ([www.numis.com](http://www.numis.com)) under the Investors/ The Board and Main Committees section.

### Risk Committee

The Risk Committee comprises of the NEDs and meets at least four times each year. It is responsible for establishing the overall risk management framework, including overseeing the risk appetite and accountabilities, monitoring performance against risk appetite, and progress against internal audit recommendations or risk-related action plans.

### Audit Committee

The Audit Committee comprises of the NEDs and meets at least four times each year. It is responsible for the overall financial reporting, including the full and half year results, having examined the accounting policies on which they are based and ensured compliance with relevant accounting standards. It also reviews the scope of internal and external audit, their effectiveness, independence, and objectivity, considering relevant regulatory and professional requirements.

### Remuneration Committee

The Remuneration Committee comprises of the NEDs and meets at least two times each year. It is responsible for the design and operation of remuneration policies to promote effective risk management and alignment with regulatory, legal, compliance, and conduct policies.

### Nominations Committee

The Nominations Committee comprises of the NEDs and meets at least once each year. It is responsible for the recruitment process for the selection of members of the management body.

### Diversity policy for management body

Deutsche Numis recognises the importance and benefits of having diverse boards. The Nominations Committee is responsible for the recruitment process for the selection of members of the management body of all Group entities.

The Nominations Committee seeks to ensure it remains an effective driver of diversity in the broadest sense, having regard to gender, ethnicity, background, skillset, and breadth of experience. Numis is committed to developing an environment which promotes equality of opportunity, values diversity, supports differences, and encourages input from all perspectives.

## 2.3 NSL board

The NCL board has delegated its authority to deal with the implementation of business strategy and management of day-to-day operational matters to the Co-CEOs and the subsidiary boards. The board of



NSL (the “Board”) is the management body that is responsible for establishing and monitoring the effectiveness of the Firm’s internal governance and strategic direction. In turn, the Board has delegated certain responsibilities to senior management within the Firm. This segregation of duties to senior managers is documented under the Senior Managers and Certification Regime (“SMCR”).

The Board meets formally at least four times a year. In line with all other Group entity boards and committees, the NSL Board reviews its effectiveness at least annually.

The Group is committed to undertaking its business in accordance with high ethical standards. In turn, the Board oversees the annual process of mapping potential conflicts of interest. The output of this process drives how the Firm identifies and monitors conflicts of interest. The Firm has a Conflicts of Interest policy which sets out further details of the techniques it uses to identify, manage, and mitigate conflicts of interest. The policy can be viewed on the Numis website ([www.numis.com](http://www.numis.com)) under Legal & Regulatory/ Conflicts of Interests Policy. These factors combined provide assurance that the Firm has appropriate governance processes to ensure it a) acts in its clients’ best interests and b) promotes the integrity of the wider market.

## 2.4 NSL committee structure

NSL has established the following risk committees and councils, as required under MIFIDPRU 7.3.1R, to ensure effective and prudent management of the Firm:

- Financial Risk Committee
- Non-Financial Risk Council (formerly Operational Risk Committee)
- Client Assets (“CASS”) Committee
- New Business Committee
- Transaction Review Committee
- Transaction Risk Committee
- Underwriting Committee

### Financial Risk Committee (“FRC”)

The FRC meets monthly (or more frequently as it deems necessary) to discuss and manage the market, credit, capital, liquidity, and related operational risks. The key responsibilities include monitoring market risk of NSL’s trading book against risk appetite, credit risk to market counterparties, the level of excess capital, and the availability of liquidity to meet business needs.

### Non-Financial Risk Council (“NFRC”)

The NFRC meets at least nine times a year to assess all significant operational risk exposures. The Committee’s remit encompasses the methodology applied to identify, measure, and report the impact of such risks. The key responsibilities of the NFRC include ensuring responsibilities and accountability for controls are clear and effective and, when residual risks exceed target levels, progress on action plans is carried out.

### Client Assets (“CASS”) Committee (“CC”)

The CC meets monthly (or more frequently as it deems necessary) and has oversight of all issues in relation to safeguarding client custody assets and client money.

### New Business Committee (“NBC”)

The NBC is responsible for oversight of all new corporate client relationships and mandates.

### Transactional Review Committee (“TRC”)

The TRC examines relevant transactions to ensure responsibilities and obligations are challenged and properly performed.

### Transactional Risk Committee

The Transaction Risk Committee reviews relevant transactions to consider risk issues prior to launch or



document publication.

### Underwriting Committee (“UC”)

The UC is responsible for considering all proposed underwriting commitments, evaluating the risks and the associated mitigating actions of the proposed transaction.

## 2.5 Directorships

The total number of directorships that are held by each non-executive member of the overarching management body (the NCL board) ranges between one and four non-executive positions. The NCL Board is satisfied that each member of the management body can devote sufficient time to perform the duties relevant to their individual function within the Group, considering the nature, scale, and complexity of the Group’s activities along with the requirements of directorships held outside of the Numis Group of companies.

Executive members of the management body are not permitted outside non-executive positions. Consequently, excluding a. other Deutsche Numis Group companies (such that relevant directorships within the Group of companies count as one directorship collectively) and b. entities not undertaking predominantly commercial objectives, each executive member of the NSL Board holds just one executive position.



## 3 Risk management

### 3.1 Risk management objectives

Effective risk management is key to the successful achievement of our strategic objectives. The Group's business model presents inherent risks which must be assessed so that the Group can set policies to control them. The Group has established a Risk Management Framework ("RMF"), including risk policies, which sets out its approach of strong risk governance, and how risks are identified, analysed, measured, and managed to ensure that risk exposures are understood, limited, monitored, reported, and escalated appropriately. The aim is to achieve performance and profitability targets with the best use of resources, whilst remaining within a defined risk appetite and protecting the Group from an unacceptable level of financial volatility or adverse reputational impact. Thereby, the Group should avoid any action which would cause harm to clients, the market, or its stakeholders.

The RMF enables risk to be considered in a consistent way across all areas of the business and is key to embedding an effective and strong risk culture which is central to the Group's corporate governance and to achieving its strategic objectives whilst remaining within its risk appetite. The Group sets its risk appetite across the entire population of risks by consideration of the inherent risks, the preventative and detective controls to mitigate those risks, and the assessment of whether the resulting residual risks are acceptable and meet its target levels considering the possible harm to clients, the market, and its stakeholders. The Group monitors the risks which threaten the achievement of its strategy as well as those that present the greatest opportunity, and therefore NSL's risk appetite is intrinsically linked to the business strategy. Key performance indicators are used to measure and monitor the underlying performance of the business and provide early warnings of emerging strategic risks.

The following diagram illustrates how our strategy, policies and RMF fit together. Our business model and strategy present inherent risks which must be assessed so that we can set a policy to control them.



NSL operates a 'three lines of defence' risk governance model, where risk management, risk oversight and assurance are distinct activities that are carried out by different individuals, teams, and committees.



1st Line: Risk Management – the first line of defence consists of the business front line employees that understand their roles and responsibilities and carry them out correctly and completely. Notwithstanding management oversight, the effective control of risk within risk appetite depends upon all employees being conscientious and taking responsibility for their actions.

2nd Line: Risk Oversight – the second line is the independent oversight by subject matter experts, the risk and compliance functions. They set and monitor policies, define work practices, and oversee the business front lines with respect to risk and compliance.

3rd Line: Assurance – the third line of defence is internal auditors who regularly review both the business front lines and the oversight functions to ensure that they are carrying out their tasks to the required level of competency.

Each line of defence has responsibility to step in to ensure that risk management systems, processes and controls are operating in line with the policies, procedures, standards, and decision-making governance of the business. This approach is designed to guard against the materialisation of unwanted risks that exceed the Firm's risk appetite. The three lines of defence model enables each employee to do this in a way that is consistent with his or her specific role, responsibilities, and objectives. Management oversight and segregation of duties are fundamental to checking this first line of control.

Under IFPR, NSL undertakes an Internal Capital Adequacy and Risk Assessment ("ICARA"), which is integrated with the RMF and approved by the Board. It documents NSL management's assessment of the risk profile of the business, the resulting capital and liquidity requirements, the adequacy of the capital and liquidity resources in relation to the Firm's risk profile, and the processes and reporting mechanisms established to ensure that the Firm can meet its minimum regulatory requirements - known as the Overall Financial Adequacy Requirement ("OFAR"). Stress testing is incorporated to assess the Firm's exposure to extreme events and to ensure that appropriate management actions and mitigating plans are in place.

## 3.2 Risk management policies

An effective and strong risk culture and appropriate policies are central to our corporate governance and to achieving our strategic objectives whilst remaining within our risk appetite. The Firm's internal risk assessment considers the impact of risks to the client, to the market, and to its stakeholders. Policies and procedures are documented to ensure appropriate levels of governance are clear and effective.

### Risk to Client ("RtC")

RtC captures the areas of the business for which the Firm could create harm to its clients. Under IFPR, the K-factors which capture this consider the client assets under management and ongoing advice (K-AUM), client money held (K-CMH), assets safeguarded and administered (K-ASA), and client orders handled (K-COH).

NSL's clients consist of eligible counterparties (mostly institutional clients), professional clients, and retail clients. NSL is authorised to hold client assets and the Firm's CASS policy sets out the standards expected to meet the relevant regulatory rules.

Client orders are executed either on a riskless principal basis, or when NSL may bring together two or more client orders under the extended definition of receipt and transmission, or when NSL holds inventory of the stock for which is it market-making. NSL has established policies and procedures in order to minimise any harm to its clients including, for instance, an order execution policy to mitigate inefficient or ineffective order handling and data privacy management policy to mitigate breaches in privacy laws and regulations; a complaints policy and procedures to ensure that any complaint raised by a client is dealt with professionally, promptly, and in accordance with regulatory requirements; and a conflicts of interest policy which sets out details of the techniques the Firm uses to identify, manage, and mitigate conflicts of interest. These policies and procedures provide assurance that the Firm has appropriate governance processes to ensure it acts in its clients' best interests and minimises any harm to clients.



As part of the operational resilience monitoring, the Firm identified important business services that, if suspended for any reason, have the potential to cause harm to clients. Emphasis on the operational resilience of these services is prioritised and mitigated to ensure that any harm to clients is minimised.

Further details on these policies can be viewed on the Numis website ([www.numis.com](http://www.numis.com)) under the Legal & Regulatory/ Policies & Statements section.

### Risk to Market (“RtM”)

RtM captures the risks that the Firm could pose to other market participants and the markets in which it operates for positions held in financial instruments, in foreign exchange, and in commodities. Under IFR, the K-factors which capture this are net position risk (K-NPR) and clearing margin given (K-CMG).

NSL is a market-maker on the London Stock Exchange and has a trading book of inventory stocks. Market risk on the stock holdings is monitored and subject to oversight and limits to ensure that risk is controlled. Operational risk over order handling is also monitored closely to ensure that the Firm adheres to its responsibilities in respect to an orderly market.

NSL has some limited non-trading book exposure to foreign exchange (“FX”) risk because of receivables or payables in a currency other than its base currency (“GBP”). NSL has procedures in place to monitor this FX exposure daily and to actively minimise its impact on the Firm. The exposure is captured in the calculation of the firm’s K-NPR.

NSL has an Underwriting Committee which assesses all potential underwriting including the identification and management of associated risks. NSL does not enter an underwriting transaction without having first established risk mitigants. Limits are set on the value of underwriting permitted at any one time.

Whilst a level of exposure to market risk is an inevitable consequence of the Firm’s business activities, NSL maintains controls to manage this exposure and the impact of any associated volatility. The market risk policy identifies the areas of RtM for NSL, and sets out how those risks are identified, assessed, monitored and managed to minimise impact. Operational risks to avoid causing harm to the market are covered in operational risk policies such as the kill switch policy and transaction reporting policy.

The Firm’s investment banking operations are regulated and strictly monitored to ensure that no harm is caused to the markets in which it operates. For instance, market abuse of price sensitive information is controlled by information barriers, policies, procedures and processes, effective Compliance monitoring and ongoing training for all staff. All staff have a responsibility to adhere to regulations and policies. There is no appetite for breaches. There are training courses on our policies, dedicated Legal and Compliance teams, internal and external audits, and regular contact with regulatory bodies to ensure harm to the market is minimised. The Firm’s operational risk policy sets out the overarching approach for identifying, managing, mitigating, and reporting of operational risk.

### Risk to Firm (“RtF”)

RtF captures the risks an investment firm may pose to its stakeholders through its trading activities. Under IFR, the K-factors which capture this consider an investment firm’s exposure to the default of its trading counterparties (K-TCD), concentration risk (K-CON), and operational risks from a firm’s daily trading flow (K-DTF).

The Firm is exposed to credit risk through a default of a counterparty prior to settlement, and a default of other receivables. All NSL clients are onboarded through a strong governance process, which includes an assessment of perceived creditworthiness. The majority of NSL’s clients are regulated, UK-based institutional entities. Credit limits are applied to each trading client and are monitored/reported daily. Settlement is usually on a Delivery versus Payment (“DvP”) basis, which limits credit exposure. Unsettled positions are actively managed and prioritised accordingly.



For other receivables, expected credit loss is usually very low due to the nature of the counterparties and the short-term nature of the receivables. Nonetheless, the Firm has robust provisioning procedures in place to monitor and manage such exposures to minimise impact. The Firm's credit risk policy sets out the criteria for assessing creditworthiness and applying relevant credit limits, as well as the provisioning procedures, and the general procedures for identifying, assessing, monitoring, and managing such risks.

NSL order executions are captured under K-DTF and subject to the Firm's order execution policy.

### Concentration Risk

Concentration risk is an investment firm's exposure to a client or group of connected clients. The Firm assesses and monitors its exposure to concentration risk in terms of geography, liquidity, clients, and sources of revenue. The Firm does not have significant concentration risks in terms of sectorial, geographic, or other concentrations.

### Liquidity Risk

Liquidity risk is the risk that funds are either not available to meet day-to-day funding requirements or are only available at a high cost or need to be arranged at a time when market conditions are unfavourable and consequently the terms are onerous. Liquidity is of vital importance to the Firm to enable it to continue operating in even the most adverse circumstances. The Firm monitors its liquidity levels to ensure that it can at all times meet its day-to-day funding requirements as well as continuously meeting the minimum liquid assets regulatory requirement. The Firm has established indicators to alert when liquidity levels may be deteriorating to a level which could result in a liquidity shortfall. Monitoring and escalation procedures have been established accordingly. Following the acquisition of the Group by Deutsche Bank AG, NSL has arranged an intra-group funding facility to replace its Revolving Credit Facility.



## 4 Own Funds and requirements

### 4.1 Composition of regulatory Own Funds

NSL's capital resources are comprised only of Common Equity Tier 1 ("CET1") capital. NSL's CET1 includes ordinary share capital and retained earnings less declared dividends, intangible assets, investments in financial sector entities and deferred tax assets. The annual external financial audit for the year ended 31 December 2024 was completed by EY in April 2025. The regulatory capital resources calculation is shown in the table below.

Table OF1 – Composition of Regulatory Own Funds

Composition of Regulatory own funds			
	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance in the audited financial statements
1	<b>OWN FUNDS</b>	105,166	
2	<b>TIER 1 CAPITAL</b>	105,166	
3	<b>COMMON EQUITY TIER 1 CAPITAL</b>	105,166	
4	Fully paid up capital instruments	2,000	Note 23
5	Share premium		
6	Retained earnings	120,307	Statement of changes in equity
7	Accumulated other comprehensive income		
8	Other reserves		
9	Adjustments to CET1 due to prudential filters	(17,141)	Note 15,17
10	Other funds		
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1		
19	CET1: Other capital elements, deductions and adjustments		
20	<b>ADDITIONAL TIER 1 CAPITAL</b>	0	
21	Fully paid up, directly issued capital instruments		
22	Share premium		
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1		
24	Additional Tier 1: Other capital elements, deductions and adjustments		
25	<b>TIER 2 CAPITAL</b>	0	
26	Fully paid up, directly issued capital instruments		
27	Share premium		
28	(-) TOTAL DEDUCTIONS FROM TIER 2		
29	Tier 2: Other capital elements, deductions and adjustment		



## 4.2 Reconciliation of Own Funds to balance sheet in the audited financial statements

The table below shows a reconciliation of regulatory own funds in the balance sheet in the audited financial statements of the Firm.

Table OF2 – Reconciliation of Own Funds to balance sheet in the audited financial statements

		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to template OF1
		As at 31 Dec 2024	As at 31 Dec 2024	
		£'000	£'000	
1	Property plant and equipment	6,371		
2	Intangible assets	0	0	Item 9
3	Right-of-use assets	26,412		
4	Investment in subsidiaries	0	0	Item 9
5	Deferred tax asset	9,589	9,589	Item 9
6	Trade and other receivables	68,581		
7	Trading investments	43,735	7,552	Item 9
8	Stock borrowing collateral	9,334		
9	Derivative financial instruments	0		
10	Cash and cash equivalents	95,692		
11	<b>Total Assets</b>	259,714		
	<b>Liabilities</b>			
1	Trade and other payables < 1 year	82,074		
2	Trading instruments	15,397		
3	Lease liabilities < 1 year	3,863		
4	Corporation Tax payable	244		
5	Trade and other payables > 1 year	4,911		
6	Lease liabilities > 1 year	30,918		
7	<b>Total Liabilities</b>	137,407		
	<b>Shareholders' equity</b>			
1	Share capital	2,000	2,000	Item 4
2	Retained earnings	120,307	120,307	Item 6
3	<b>Total Shareholders' equity</b>	122,307	(17,141)	Item 9

## 4.3 Main features of own instruments issued by the Firm

Instrument type	Ordinary shares
Issuer	Numis Securities Ltd
Governing laws of the instrument	England & Wales
Regulatory classification	CET1
Amount recognised in annual financial statements	2,000,000
Nominal amount of instrument	2,000,000
Issue price	£1
Accounting classification	Shareholders' Equity



## 4.4 Own Funds requirements

### K-Factor Requirement and Fixed Overheads Requirement

Item		Amount £'000
K-Factor	SUM of K-AUM, K-CMH and K-ASA	890
	SUM of K-COH and K-DTF	192
	SUM of K-NPR, K-CMG, K-TCD and K-CON	11,073
<b>Fixed overheads requirement (FOR)</b>		<b>20,891</b>

## 4.5 Summary of approach to assess adequacy of own funds

NSL assesses the adequacy of its own funds and liquidity to comply with the OFAR. The Firm's approach is set out in its ICARA process. This process has been embedded within NSL's governance and has been approved by the Board. Ongoing monitoring of risk levels, risk appetite, stress test results and relevant indicators is performed throughout the year to ensure that the Firm continues to meet the OFAR. NSL's minimum own funds requirement is determined as the higher of its FOR, permanent minimum capital requirement and K-factor requirement. The Firm also undertakes an internal risk assessment which considers material sources and effects of risk to clients, to the markets and to the Firm itself, as well as other risks, in order to determine if the minimum own funds requirement amount sufficiently covers the risks identified. The details of this analysis, the process and the conclusions are set out in the ICARA.

The ICARA document therefore (i) sets out NSL's business model and strategy, (ii) shows how the Firm identifies vulnerabilities and manages them with appropriate systems and controls to reduce potential material harms, (iii) assesses the level of capital and liquidity required to meet the residual risks, and (iv) analyses how our capital and liquidity levels would be affected under stressed scenarios to ensure NSL's financial resources are adequate for ongoing activities or to enable an orderly wind-down. In addition, we map out the process and cost of winding down our business in the least disruptive manner to our clients and the market, without threatening the integrity of the wider UK financial system.

The ICARA is updated on an annual basis, or more frequently if risks, risk assessments and/or assumptions significantly change, or there is a material change in the Firm's business or the environment it operates in. Each update is completed using the latest audited financial year-end figures.



## 5 Remuneration policies and practices

NSL is required to disclose certain information relating to its remuneration policy and practices in accordance with the MIFIDPRU Remuneration Code (SYSC 19G) of the FCA Handbook and the MIFIDPRU 8.6 rules and guidance. As a 100% subsidiary of DB AG group, NSL is subject to the Deutsche Bank ("DB") compensation framework, this report outlines the DB Group compensation policy & governance as well as specific UK related IFPR provisions as applicable to NSL and its subsidiaries.

### 5.1 Qualitative disclosure

#### Regulatory environment

Ensuring compliance with regulatory requirements is an overarching consideration in DB Group's Compensation Strategy. DB Group strives to be at the forefront of implementing regulatory requirements with respect to compensation and to be in compliance with all existing and new requirements.

As an EU-headquartered institution, DB Group is subject to the Capital Requirements Regulation/Directive ("CRR/CRD") globally covering prudential rules, including remuneration, for banks and investment firms. In addition to the global regulatory requirements, NSL as a large non-SNI MIFIDPRU firm must also comply with the provisions in the FCA's Handbook. In accordance with the criteria stipulated in the FCA Handbook NSL identifies all employees (Material Risk Takers or MRTs) whose work is deemed to have a material impact on the overall risk profile of NSL. Any adjustments to global practice required to meet the UK regulatory requirements must also ensure that the provisions of the German Banking Act (KWG) and the Institutsvergütungsverordnung ("InstVV") are also met. As such where an employee is captured as MRT under multiple regimes, the more stringent remuneration rule is applied to ensure collective adherence to applicable remuneration rules.

#### Compensation governance

Deutsche Bank has a robust governance structure enabling it to operate within the clear parameters of its Compensation Strategy and Policy. NSL and its subsidiary companies are subject to the remuneration decisions made by the DB Group Management Board, which is supported by specific remuneration committee, the SECC. In line with their responsibilities, DB Group's control functions are involved in the design and application of the bank's remuneration systems, in the identification of MRTs and in determining the total amount of Variable Compensation ("VC"). This includes assessing the impact of employees' behavior and the business-related risks, performance criteria, granting of remuneration and severances as well as ex-post risk adjustments.

#### Senior Executive Composition Committee ("SECC")

The SECC is a delegated committee established by the DB Group Management Board which has the mandate to develop sustainable compensation principles, to prepare recommendations on Total Compensation levels and to ensure appropriate compensation governance and oversight. The SECC establishes the Compensation and Benefits Strategy, Policy and corresponding guiding principles. Moreover, using quantitative and qualitative factors, the SECC assesses DB Group and divisional performance as a basis for compensation decisions and makes recommendations to the Management Board regarding the total amount of annual variable compensation and its allocation across business divisions and infrastructure functions.

In order to maintain its independence, only representatives from infrastructure and control functions who are not aligned to any of the business divisions are members of the SECC. In 2024, the SECC's membership comprised of the DB AG Management Board member responsible for Human Resources and the Chief Financial Officer as Co-Chairpersons, the Global Head of Compliance, the Global Head of Human Resources and the Global Head of Performance & Reward as well as an additional representative from both Finance and



Risk as voting members. The Compensation officer and an additional representative from Finance participated as non-voting members. The SECC generally meets on a monthly basis but with more frequent meetings during the compensation process. It held 19 meetings in total with regard to the compensation process for the performance year 2024.

#### NSL Remuneration Governance

NSL's direct parent company is Numis Corporation Limited (NCL). NCL has a Remuneration Committee ("RemCo") whose purpose is to assess performance and approval of all recommended awards to Deutsche Numis Board and employees performing a Senior Manager Function. It relies on the DB Group i.e. SECC for overall compensation governance and oversight. The chair of NCL RemCo and at least 50% of its members are individuals who do not perform any executive function of the business. NSL Compliance and Risk functions have clear and independent lines of reporting. There is additional accountability to the chairman of the Risk Committee of NCL thus safeguarding the integrity and independence of these functions. Ultimately, NSL ensures that the remuneration of all senior officers in Risk and Compliance is overseen by NCL RemCo.

NCL RemCo also determines remuneration matters that directly impact NSL and ensures implementation of the FCA's MIFIDPRU remuneration rules to applicable employees. NCL RemCo also reviews the process to determine IFPR Material Risk Takers for NSL and reviews the list of those included. NCL RemCo meets periodically but no less than twice in each financial year.

#### Identification of Material Risk Takers

In accordance with the criteria set out in SYSC 19G.5.3 R and the corresponding guidance under SYSC 19G.5.4 G to SYSC 19G.5.5 NSL has identified Material Risk Takers (MRTs) for the firm. The identification is based on an individual's regulatory status, seniority of position, the level of risk associated with an employee's professional activities (including but not limited to prudential, operational, market, conduct and reputational risks). Additionally, all employees, including those whose annual variable remuneration does not exceed £167,000 or where their annual variable remuneration does not represent more than one-third of their total annual remuneration, are reviewed annually to consider whether their managerial duties are such that they are deemed as having a material impact on the firm's business.

NSL HR & Compliance maintain the list of MRTs, which is reviewed annually and presented to the Remuneration Committee. It is the responsibility of the Remuneration Committee to review the MRT criteria on an annual basis as they apply to Numis.

#### Compensation and Benefits Strategy

Deutsche Bank recognizes that its compensation framework plays a vital role in supporting its strategic objectives. It enables the bank to attract and retain the individuals required to achieve the bank's objectives. The Compensation and Benefits Strategy is built on three core pillars (Principles, Performance and Processes as outlined below) that support the bank's global, client-centric business and risk strategy, reinforced by safe and sound compensation practices that operate within the bank's profitability, solvency, and liquidity position.



Principles	Performance	Processes
<ul style="list-style-type: none"> <li>- Support the delivery of our sustainable growth <b>strategy as a Global Hausbank</b></li> <li>- Align with <b>clients' and shareholder interests</b> and manage costs effectively</li> <li>- <b>Prevent inappropriate risk taking</b> and taking into account various risk types including <b>(ESG) risk</b></li> <li>- <b>Attract and retain best talent</b> by having market-aligned and competitive frameworks and processes</li> <li>- Support our <b>culture aspirations</b>, incl. promotion of a <b>strong risk and "speak up" culture</b></li> </ul>	<ul style="list-style-type: none"> <li>- Create an environment for <b>motivated, engaged and committed</b> employees</li> <li>- Strong link between performance and pay outcomes to foster a <b>sustainable performance culture</b></li> <li>- Apply and promote the bank's <b>expected behaviours</b> as defined in the Code of Conduct and the <b>Code of Conduct</b> more broadly and apply <b>appropriate consequences for failing to meet required standards</b></li> </ul>	<p>Processes designed to:</p> <ul style="list-style-type: none"> <li>- Foster a gender-neutral approach, be <b>simple and transparent</b> and ensure <b>equity and fairness</b></li> <li>- Ensure compliance with legal and <b>regulatory</b> requirements</li> <li>- Prevent inappropriate risk-taking by incorporating <b>risk management</b> measures</li> </ul>

### Group Compensation Framework

The compensation framework, generally applicable globally across all regions and business lines, emphasizes an appropriate balance between Fixed Pay ("FP") and Variable Compensation ("VC") – together forming Total Compensation ("TC"). It aligns incentives for sustainable performance at all levels of Deutsche Bank whilst ensuring the transparency of compensation decisions and their impact on shareholders and employees. The underlying principles of Deutsche Bank's Compensation Framework are applied to all employees equally and are supported by the key principle 'equal pay for equal work or work of equal value' and the necessity for equal opportunities, irrespective of differences in seniority, tenure, gender or ethnicity.

Pursuant to CRD and the requirements subsequently adopted in the German Banking Act, Deutsche Bank is subject to a maximum ratio of 1:1 with regard to fixed-to-variable remuneration components, which was increased to 1:2 for a limited population with shareholder approval on May 22, 2014 with an approval rate of 95.27%, based on valid votes by 27.68% of the share capital represented at the Annual General Meeting. Control Functions comprises of Risk, Compliance and Anti-Financial Crime, Group Audit and the Group Compensation Officer and his Deputy, are subject to a maximum ratio of 2:1. Employees in certain infrastructure functions should continue to be subject to a maximum ratio of 1:1.

With effect from 2024 the bank amended and simplified its compensation framework by ensuring all employees are eligible for individual VC, by incorporating the former Group VC Component into the overall VC pool determination, and by removing both Reference Total Compensation and Recognition Awards. To maintain an appropriate balance between FP and VC, the bank implemented a more standardized VC orientation concept with orientation values based on division, profession and seniority that indicate the average expected VC as a percentage value of FP.

Fixed Pay is the key and primary compensation element for most employees globally. It is a fixed regular payment based on transparent and predetermined conditions. It is delivered either in the form of base salary and where applicable local specific fixed pay allowances. Fixed Pay reflects the value of the individual role and function within the organization, regional and divisional specifics and rewards the factors an employee brings to the organization such as qualification, skills and experience required for the role in line with remuneration levels in the specific geographic location and level of responsibility.



Variable Compensation is a discretionary compensation component that reflects Group, Divisional risk-adjusted financial and non-financial performance as well as individual contributions. It acknowledges that employees contribute towards the success of their Division and the Group as a whole. At the same time, VC allows the bank to differentiate individual contributions and to drive behavior and conduct through an incentive system that can positively influence culture and the achievement of the bank's strategic objectives and to apply consequences for falling below the standards of delivery, behavior and conduct by reducing the VC.

Severance payments are considered variable compensation, the bank's severance framework ensures full alignment with the respective regulators' requirements.

Employee benefits are considered FP from a regulatory perspective, as they have no direct link to performance or discretion. They are granted in accordance with applicable local market practices and requirements. Pension expenses represent the main element of the bank's benefits portfolio globally.

TC is made up of defined FP, VC, and is supplemented by benefits.

#### Determination of performance-based variable compensation

DB Group puts a strong focus on its governance related to compensation decision-making processes. A robust set of rule-based principles for compensation decisions with close links to the performance of both business and individual were applied.

The total amount of VC for any given performance year is derived from an assessment of DB Group's profitability, solvency, and liquidity position (affordability assessment), DB Group performance and the performance of divisions and infrastructure functions in support of achieving the bank's strategic objectives.

In a first step, Deutsche Bank assesses the bank's affordability as well as other limitations (such as cost constraints) to determine what the bank "can" award in line with regulatory and internal requirements. In the next step, the bank assesses divisional risk-adjusted performance, i.e. what the bank "should" award in order to provide an appropriate compensation for contributions to the bank's success. The proportion of the VC pools related to Group performance, which has a weighting of 25%, is determined based on the performance of a selected number of Group's Key Performance Indicators (KPIs), including Common Equity Tier 1 (CET 1) Capital Ratio, Cost/Income Ratio (CIR), Post-Tax Return on Tangible Equity (RoTE), ESG: Environmental - Sustainable Financing and ESG Investments, Social - Gender Diversity and Governance - Audit Control Risk Management Grade.

When assessing divisional performance, a range of considerations are referenced. Performance is assessed in the context of financial and – based on Balanced Scorecards – non-financial targets. The financial targets for front-office divisions are subject to appropriate risk-adjustment, in particular by referencing the degree of future potential risks to which Deutsche Bank may be exposed, and the amount of capital required to absorb severe unexpected losses arising from these risks. For the infrastructure functions, the financial performance assessment is mainly based on the achievement of cost targets. While the allocation of VC to infrastructure functions, and in particular to control functions, depends on both DB Group's overall and their own performance, it is not dependent on the performance of the division(s) that these functions oversee.

At the level of the individual employee, the VC Guiding Principles are established, which detail the factors and metrics that managers need to take into account when making VC decisions. In doing so, they must fully appreciate the risk-taking activities of individuals to ensure that VC allocations are balanced and risk-taking is not inappropriately incentivized. The factors and metrics to be considered include, but are not limited to, (i) business delivery ("What"), i.e., quantitative and qualitative financial, risk-adjusted and nonfinancial performance metrics, and (ii) behavior ("How"), i.e., culture, conduct and control considerations such as qualitative inputs from control functions or disciplinary sanctions. VC setting recommendations help managers to translate individual performance ("What" and "How") into appropriate pay outcomes. Generally, performance is assessed based on a one-year period. However, for DB Group Management Board members a performance period of three years is taken into account

#### Variable compensation ("VC") structure

The compensation structures are designed to provide a mechanism that promotes and supports long-term performance of employees and the bank. Whilst a portion of VC is paid upfront, these structures require that an appropriate portion is deferred to ensure alignment to the sustainable performance of the Group. For both parts of



VC, Deutsche Bank shares are used as instruments and as an effective way to align compensation with Deutsche Bank's sustainable performance and the interests of shareholders.

The bank continues to go beyond regulatory requirements with the scope as well as the amount of VC that is deferred and the minimum deferral periods for certain employee groups. The deferral rate and period are determined based on the risk categorization of the employee as well as the business unit. For IFPR FCA MRTs, at least 40% of MRT's VC is deferred in line with the regulatory requirements for three or four years (depending on the MRT category). As per the provisions laid out in the FCA Handbook, where VC exceeds £167,000 or VC exceeds 33% of total remuneration, at least 40% of VC is deferred. Where VC exceeds £500,000 or for Management Board members of NSL, at least 60% of VC is deferred. 50% of both upfront and deferred awards are granted as equity, with a one-year retention period for all equity awards following the vesting of each tranche. For NSL Management boards 4 years deferral period is applied to the deferred VC and for all other MRTs 3 years VC deferral period is applied

Where an employee is identified as an MRT under different regimes e.g., provisions of InstVV or CRD dual regulated PRA & FCA MRTs, the more stringent remuneration rule is applied to an employee's VC to ensure compliance with regulatory requirements of all regimes & internal policies.

As detailed in the table below, deferral periods range from three to four years, dependent on employee groups.

### Overview on 2023-24 award types

Award Type	Description	Beneficiaries	Deferral Period	Retention Period	Proportion
Upfront: Cash VC	Upfront cash	All eligible employees	N/A	N/A	50% of upfront VC: IFPR FCA MRTs with VC > 167,000 (for PRA_FCA MRTs with VC > £44000 /for InstVV MRTs with VC > € 50,000) or where VC exceeds 1/3 of TC  Non-MRTs 100% of upfront VC with 2024 TC ≤ € 500,000
Upfront: Equity Upfront Award (EUA)	Upfront equity portion (linked to Deutsche Bank's share price over the retention period)	50% of upfront VC: IFPR FCA MRTs with VC > 167,000 (for PRA_FCA MRTs with VC > £44000 /for InstVV MRTs with VC > € 50,000) or where VC exceeds 1/3 of TC Non-MRTs with 2024 TC > € 500,000	N/A	12 months	50% of upfront VC
Deferred: Restricted Incentive Award (RIA)	Deferred cash	All employees with deferred VC	<i>Equal tranche vesting:</i> Management Board members: 4 years All other MRTs: 3 years	N/A	50% of deferred VC
Deferred: Restricted Equity Award (REA)	Deferred equity (linked to Deutsche Bank's share price over the vesting and retention period)	All employees with deferred VC	<i>Equal tranche vesting:</i> Management Board members: 4 years All other MRTs: 3 years	12 months for MRTs	50% of deferred VC

N/A – Not applicable

Employees are not allowed to sell, pledge, transfer or assign a deferred award or any rights in respect to the award. They may not enter into any transaction having an economic effect of hedging any variable compensation, for example offsetting the risk of price movement with respect to the equity-based award. The Human Resources and Compliance functions, overseen by the Compensation Officer, work together to monitor employee trading activity and to ensure that all employees comply with this requirement.

### Ex-post risk adjustment of variable compensation

In line with regulatory requirements relating to ex-post risk adjustment of variable compensation, the Bank believes that a long-term view on conduct, performance conditions and forfeiture provisions are a key element of the Bank's



deferred compensation structures. The Bank ensure that awards are aligned to sustainable risk management, conduct and performance. In addition to forfeiting deferred compensation, the Bank may also clawback VC and severance payments (which have already been paid out or delivered to an MRT) in exceptional cases, where:

- the MRT's actions or omissions have amounted to misbehaviour or material error; and /or
- DBUKB as applicable, or the relevant business unit has suffered a material failure of risk management.

The clawback period for NSL IFPR MRTs is four / five years from the date the award is granted where a DB Group Company has commenced an investigation or has been notified by any competent regulatory authority that an investigation has been commenced, into facts or events which could potentially lead to the application of clawback were it not for the expiry of the five/ four year clawback period.

Overview on DB Group performance conditions and forfeiture provisions of variable compensation granted for Performance Year 2023-24

Provision	Description	Forfeiture
Solvency and Liquidity	<ul style="list-style-type: none"> <li>- If at the quarter end preceding vesting and release, any one of the following falls below a defined Risk Appetite threshold: CET1 Capital Ratio; Leverage Ratio; Economic Capital Adequacy Ratio; Liquidity Coverage Ratio; High Quality Liquid Assets (HQLA)</li> </ul>	<ul style="list-style-type: none"> <li>- Between 10% and 100% of the next tranche of deferred award due for delivery / of the Equity Upfront Award, depending on the Risk Appetite threshold and the extent the Group / Divisional PBT condition(s) is/ are met</li> </ul>
Group PBT	<ul style="list-style-type: none"> <li>- If for the financial year end preceding the vesting date adjusted Group PBT is negative<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Between 10% and 100% of the next tranche of deferred award due for delivery, depending on the extent Solvency and Liquidity condition is met and whether Divisional PBT condition is met (if applicable)</li> </ul>
Divisional PBT <sup>2</sup>	<ul style="list-style-type: none"> <li>- If for the financial year end preceding the vesting date adjusted Divisional PBT is negative<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Between 10% and 100% of the next tranche of deferred award due for delivery, depending on the extent Solvency and Liquidity condition is met and whether Group PBT condition is met</li> </ul>
Forfeiture Provisions <sup>3</sup>	<ul style="list-style-type: none"> <li>- In the event of an internal policy or procedure breach, breach of any applicable laws or regulations, or a Control Failure</li> <li>- If any award was based on performance measures or assumptions that are later deemed to be materially inaccurate</li> <li>- Where a Significant Adverse Event occurs, and the Participant is considered sufficiently proximate</li> <li>- If forfeiture is required to comply with prevailing regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>- Up to 100% of undelivered awards</li> </ul>
Clawback	<ul style="list-style-type: none"> <li>- In the event an MRT participated in conduct that resulted in significant loss or regulatory sanction/supervisory measures; or failed to comply with relevant external or internal rules regarding appropriate standards of conduct</li> <li>- If clawback is required to comply with a competent regulatory authority or other legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>- Up to 100% of delivered deferred award for a period of 5 years / 4 years from grant date. For upfront award one year from award date</li> </ul>

<sup>1</sup> Considering clearly defined and governed adjustments for relevant Profit and Loss items (e.g., business restructurings; impairments of goodwill or intangibles)

<sup>2</sup> Only applicable to InstVV MRTs in front office divisions

<sup>3</sup> Other provisions may apply as outlined in the respective plan rules



## Compensation decisions for 2024

### Year-end considerations and decisions for 2024

All compensation decisions are made within the boundaries of regulatory requirements. These requirements form the overarching framework for determining compensation at Deutsche Bank. In particular, DB Group management must ensure that compensation decisions are not detrimental to maintaining DB Group's sound capital base and liquidity reserves.

In 2024, Deutsche Bank successfully navigated an environment marked by persistent geopolitical uncertainties and macroeconomic challenges. The bank demonstrated its operating strength by delivering a pre-tax profit of €5.3 billion while simultaneously absorbing nonoperating costs of €2.6 billion consisting primarily of litigation charges relating largely to longstanding matters, thereby reducing the risk profile of the bank. The bank's resilient operating performance reflects the successful execution of its Global Hausbank business model.

The bank's employees delivered sustained business growth, with revenues exceeding €30 billion, together with volume growth and market share gains in key business segments, while assets under management rose to record levels. This, combined with operating cost discipline, enabled Deutsche Bank to maintain strong capital levels while simultaneously increasing capital distributions to shareholders, including a 50% rise in the dividend proposed for 2024. Deutsche Bank's 2024 compensation decisions reflect its commitment to recognize appropriately the contributions of its employees and set fair and competitive compensation levels while also maintaining cost discipline, investing further in business growth and controls, sustaining capital and balance sheet strength, and enabling continued growth in returns to shareholders. The SECC continuously monitored potential VC awards with due consideration to these priorities throughout the year.

## 5.2 Quantitative disclosure

For performance period 1 October 2023 to 31 December 2024, 16 employees were identified as MRTs for NSL according to the remuneration code set out in the FCA Handbook.

### Aggregate remuneration for performance period - all staff

<b>in GBP thousands</b> (unless stated otherwise) <sup>1</sup>	Senior Management + Other Risk Takers <sup>2</sup>	Other Staff	All staff
Number of MRTs	16	361	377
Fixed Remuneration	10,738	55,418	66,156
Variable Remuneration	13,205	28,778	41,983
<b>Total Remuneration</b>	<b>23,943</b>	<b>84,196</b>	<b>108,139</b>

Notes:

1. The table may contain marginal rounding differences. Amounts in GBP & in '000

2. Aggregate information for senior management and other material risk takers as splitting the information between those two categories would lead to the disclosure of information about one or two people.

### Guaranteed awards & Severance payments for performance period

<b>in GBP thousands</b> (unless stated otherwise) <sup>1</sup>	Senior Management + Other Risk Takers <sup>2</sup>
<b>Guaranteed awards</b>	
Number of MRTs	0
Total amount	0
<i>Of which: paid during financial year</i>	0
<b>Severance payments</b>	
Number of MRTs	0
Total amount	0
<i>Of which: paid during financial year</i>	0



Highest severance payment awarded to an individual MRT 0

Notes:

1. The table may contain marginal rounding differences. Amounts in GBP & in '000
2. Aggregate information for senior management and other material risk takers as splitting the information between those two categories would lead to the disclosure of information about one or two people.

### Components of Variable Remuneration for MRTs for performance period

<b>in GBP thousands</b> (unless stated otherwise) <sup>1</sup>	Senior Management + Other Risk Takers <sup>2</sup>
Number of MRTs	16
<i>Of which : Upfront Cash</i>	1,071
<i>Of which : Upfront Shares, Share-linked or equivalent Non-Cash Instruments</i>	827
<i>Of which : Deferred Cash</i>	5,653
<i>Of which : Deferred Shares, Share-linked or equivalent Non-Cash Instruments</i>	5,653
<b>Total Variable Remuneration</b>	13,205

Notes:

1. The table may contain marginal rounding differences. Amounts in GBP & in '000
2. Aggregate information for senior management and other material risk takers as splitting the information between those two categories would lead to the disclosure of information about one or two people.

### Deferred Remuneration awarded in previous performance year

<b>in GBP thousands</b> (unless stated otherwise) <sup>1</sup>	Senior Management + Other Risk Takers <sup>2</sup>
Previous performance years awards	19,099
<i>Of which : due to vest in financial year</i>	4,360
<i>Of which: due to vest in subsequent financial years</i>	14,740
<i>Of which : paid in financial year</i>	2,859
<i>Of which : Withheld due to performance adjustment</i>	-

Notes:

1. The table may contain marginal rounding differences. Amounts in GBP & in '000
2. Aggregate information for senior management and other material risk takers as splitting the information between those two categories would lead to the disclosure of information about one or two people.