

# **DB USA Corporation**

## **U.S. NET STABLE FUNDING RATIO DISCLOSURES**

**For the period ended June 30, 2025**

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## Net Stable Funding Ratio (NSFR)

The NSFR is intended to promote the resilience of banks by requiring them to fund their activities with stable, longer-term funding sources rather than relying heavily on short-term funding, which is prone to increased withdrawals in times of liquidity stress. By encouraging banks to maintain a more balanced and sustainable funding structure, the NSFR seeks to enhance the overall stability and safety of the banking system. The ratio is defined as the amount of Available Stable Funding (ASF) divided by the amount of Required Stable Funding (RSF). ASF includes funding sources that are considered less sensitive to changes in market conditions and are less likely to be withdrawn or reduced quickly, even in times of financial turbulence. These funding sources often have a defined medium- or long-term tenor. Examples of funding sources that contribute to ASF include retail deposits from individuals, long-term wholesale funding and equity capital. As set forth in the regulation, funding type, tenor and counterparty classification are the main considerations in determining the weighted value of funding sources. RSF represents the amount of stable funding that a bank is required to maintain to support its balance sheet assets and its off-balance sheet exposures. Assets or exposures that are perceived to be less liquid or more susceptible to funding risk would require a higher amount of stable funding and, therefore, will be assigned a higher percentage weighting in determining the RSF amount. Conversely, assets and / or exposures that are more liquid and more easily funded or converted to cash would require a lower amount of stable funding and receive a lower percentage weighting for determining RSF. As set forth in the regulation, asset tenor, encumbrance, counterparty classification, credit quality and market characteristics are the main factors considered in determining the weighted amount required to fund as asset or exposure. A bank is required to maintain an NSFR of 100% or higher, meaning that its ASF is higher than its RSF. If a bank's NSFR falls below the regulatory minimum, it may be required to take corrective actions to improve its funding profile and overall stability.

Deutsche Bank (DB), a banking group domiciled in Germany<sup>1</sup>, is currently required to be compliant with the NSFR as outlined in the "Capital Requirements Regulations II (CRR II)" which was published in the European Union (EU) Official Journal on June 7, 2019. CRR II was entered into force on June 27, 2019, and became a binding minimum regulatory metric two years later on June 27, 2021.

The history of the NSFR requirement for Foreign Banking Operations (FBOs) in the United States can be traced to the aftermath of the global financial crisis of 2007-2008. The crisis exposed vulnerabilities in the global financial system, particularly around liquidity risk management practices of banks. To address these concerns and strengthen the regulatory framework, the Basel Committee on Banking Supervision developed Basel III, a comprehensive set of reforms aimed at enhancing the resilience of banks and the global banking system. The NSFR was introduced alongside the Liquidity Coverage Ratio (LCR). While the LCR focuses on short-term liquidity, the NSFR is designed to measure the longer-term stability of the bank's funding sources.

In the United States, the NSFR requirement was adopted by the Federal Reserve as part of its implementation of the Basel III framework. The Enhanced Prudential Standards for FBOs required FBOs, including DB, with non-branch assets of \$50 billion or more to form a U.S. Intermediate Holding Company (IHC) by July 01, 2016, to serve as the top-tier holding company for their non-branch U.S. subsidiaries. DB's U.S. IHC, namely DB USA Corporation (the Firm), became subject to the full NSFR requirements effective July 1, 2021. Further to that, the Federal Reserve

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<sup>1</sup> Deutsche Bank (DB) AG is a financial conglomerate as designated by the BaFin

expanded the scope of the FR2052a Report to include products and data required for calculating the NSFR. The expanded FR2052a, or “6G,” went live for qualifying FBOs operating in the U.S. on October 3, 2022. DB USA Corporation employs the FR2052a and the entirety of the prescribed rules in Appendix VIII of the Instructions to calculate NSFR daily.

Subsequently to the Enhanced Prudential Standards, the Federal Reserve adopted the Tailoring Rule that introduced risk-based categories for determining the scope, nature, and applicability of requirements under the Federal Reserve’s Liquidity Risk Management Standards, which resulted in a modification of the NSFR requirements based on the category of the banking organizations. Under the Tailoring Rule, the stringency of requirements increases based on measures of size, cross-jurisdictional activity, weighted short-term wholesale funding, nonbank assets, and off-balance sheet exposures, with Category I banks required to adhere to the most stringent standards. Based on the Tailoring Rule guidelines, which became effective December 31, 2019, the Firm is categorized as a Category III bank and therefore is currently required to adhere to an effectively reduced NSFR minimum requirement of 85% by virtue of applying an 85% factor to its RSF denominator.

### U.S. Disclosure Requirements

As part of the NSFR Final Rule issued October 20, 2020, with an effective date of July 1, 2021, the Federal Reserve implemented public disclosure requirements (PDR) for the NSFR. Under PDR, a BHC with \$50 billion or more in consolidated assets or \$10 billion or more in foreign exposure is required to disclose publicly, on a semi-annual basis, quantitative information about its average NSFR calculation for the prior two quarters and to discuss the factors that have significantly impacted its NSFR. Presently, the Firm is the only DB U.S. entity that is subject to these disclosure requirements.

The information presented in this document is calculated in accordance with the U.S. NSFR Rule, which was subsequently renamed the Liquidity Risk Management Standards for NSFR, and presented in accordance with the NSFR PDR, unless otherwise stated. Table 6 presents the Firm’s NSFR in the format provided in the NSFR PDR. Tables 1 through 5 present a supplemental breakdown of the Firm’s NSFR components.

## U.S. Qualitative Disclosures

### Main drivers of NSFR

The table below summarizes the Firm's average weighted NSFR for the three months ended March 31, 2025 (1Q 2025) and the three months ended June 30, 2025 (2Q 2025).

**Table 1: Net Stable Funding Ratio**

Average Weighted Amounts (\$ in millions)	<u>1Q 2025</u>	<u>2Q 2025</u>
ASF <sup>1</sup>	30,323	29,844
RSF <sup>2</sup>	20,680	20,592
<b>NSFR</b>	<b>147%</b>	<b>145%</b>
Excess ASF <sup>1</sup>	9,643	9,252

(1) Excludes excess ASF held at subsidiaries that is not transferable.

(2) After application of the 85% factor under the Tailoring Rule. Before application of the 85% factor, total average RSF for 1Q 2025 was 24,329 and for 2Q 2025 was 24,226.

(3) Unadjusted for the 85% factor under the Tailoring Rule, the 1Q 2025 NSFR was 125%. For 2Q 2025 NSFR was 123%.

In the table above, the Firm calculates its ASF and RSF amounts by applying the standardized set of regulatory weightings to various asset and liability balances, including off-balance-sheet exposures, as prescribed in the NSFR rule.

The firm's average daily NSFR for the three months ended March 31, 2025 (1Q 2025) was 147%, and for the three months ended June 30, 2025 (2Q 2025) was 145%. The firm's NSFR is primarily driven by:

- ASF is comprised primarily of the firm's equity capital, long-term intercompany borrowings and wholesale funding, primarily operational deposits.
- RSF is comprised primarily of loans and other assets. The main components of the Firm's other assets are receivables from other DB Group entities and deferred tax assets.

### Changes in NSFR

The Firm's average NSFR decreased by 2 percentage points between 1Q 2025 and 2Q 2025, primarily driven by a \$0.5 billion average decrease in ASF, resulting from a \$0.5 billion decrease in Wholesale Funding. There was also a \$0.2 billion increase in required regulatory capital, which was largely offset by a \$0.2 billion decrease in retail funding. The details for the changes in ASF can be found in Tables 2 and 3 below. The details for the changes in RSF can be found in Tables 4 and 5 below.

**Table 2: Available Stable Funding (ASF)**

Average Weighted Amounts (\$ in millions)	<b><u>1Q 2025</u></b>	<b><u>2Q 2025</u></b>
Capital	13,298	13,515
Retail Funding	1,238	1,015
Wholesale Funding	15,787	15,316
Other Liabilities	0	0
Less: ASF trapped at subsidiaries	0	1
<b>Total Available Stable Funding</b>	<b>30,323</b>	<b>29,844</b>

**Table 3: ASF, of which Retail and Wholesale Funding**

Average Weighted Amounts (\$ in millions)	<b><u>1Q 2025</u></b>	<b><u>2Q 2025</u></b>
Retail Funding:	<b>1,238</b>	<b>1,015</b>
Stable Deposits	36	35
Less Stable Deposits	766	696
Brokered Deposits and Sweeps	0	0
Other Retail Funding	435	283
Wholesale Funding:	<b>15,787</b>	<b>15,316</b>
Operational Deposits	5,938	6,019
Other Wholesale Funding <sup>1</sup>	9,849	9,297
<b>Total Retail and Wholesale Funding</b>	<b>17,025</b>	<b>16,331</b>

(1) Primarily comprising long-term funding from Deutsche Bank related parties.

### Changes in ASF

Average ASF decreased from 1Q 2025 to 2Q 2025 by \$0.5 billion. This was primarily driven by \$0.5 billion decrease in Wholesale Funding. There was also a \$0.2 billion increase in required regulatory capital, which was largely offset by a \$0.2 billion decrease in retail funding.

**Table 4: Required Stable Funding (RSF)**

Average Weighted Amounts (\$ in millions)	<b><u>1Q 2025</u></b>	<b><u>2Q 2025</u></b>
Total High-quality Liquid Assets (HQLA)	180	209
0% RSF Assets that are not HQLA	0	0
Operation deposits places at financial sector entities	435	437
Loans and securities	16,062	15,609
Other assets	7,232	7,548
Undrawn commitments	421	422
<b>Total Required Stable Funding</b>	<b>24,329</b>	<b>24,226</b>
<b>85% RSF per Tailoring Rule</b>	<b>20,680</b>	<b>20,592</b>

**Table 5: RSF, of which Loans and Securities:**

Average Weighted Amounts (\$ in millions)	<u>1Q 2025</u>	<u>2Q 2025</u>
Loans to financial sector entities secured by level 1 liquid assets	303	376
Loans to financial sector entities secured by assets other than level 1 or unsecured	3,941	3,502
Loans to wholesale non-financial sector counterparties and retail customers	9,893	9,933
Retail mortgages	1,202	1,409
Non-HQLA securities	722	389
<b>Total Loans and Securities</b>	<b>16,062</b>	<b>15,609</b>

Composition of eligible HQLA

HQLA represents the sum of eligible Level 1 liquid assets, Level 2A liquid assets, and Level 2B liquid assets, eligible for inclusion in the NSFR based on the specific operational and general requirements, as prescribed under the LRM Standards for NSFR. Certain components of HQLA are included for consideration of RSF under NSFR but are excluded for the LCR numerator. These include restricted reserve balances at central banks and certain encumbered securities positions.

Changes in RSF

Prior to the application of the 85% factor per the Tailoring Rule, average RSF decreased \$0.1 billion from 1Q 2025 to 2Q 2025. This was mainly driven by a \$0.4 billion decrease in loans and securities, and a \$0.3 billion increase in other assets. Most of the decrease in loans was to financial sector counterparties.

Liquidity Management

Liquidity risk is the risk arising from the potential inability to meet all payment obligations when they come due. The Americas Liquidity Management (LM) function of the Firm is responsible for ensuring that the Firm can fulfill its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The framework considers relevant drivers of liquidity risk, whether on-balance sheet or off-balance sheet.

To meet the stated objectives, the Firm executes upon its liquidity risk management framework. The framework is composed of six work streams – risk appetite & supporting metrics, risk identification, risk measurement, risk reporting & monitoring, risk management, and governance and oversight. These six work streams of the liquidity management framework provide LM the processes, tools, and oversight to effectively manage the liquidity position of the Firm to meet its day-to-day payment obligations.

Treasury manages its funding and liquidity risk through the implementation of risk appetite limits, legal entity thresholds and early warning indicators. In addition, Treasury works closely with Liquidity Risk Management (LRM), and the business, to identify the relevant inherent liquidity risks and look to ensure that they are measured and managed through the liquidity risk management

framework. These parties are continuously engaged to understand changes in the Firm's liquidity risk position arising from business activities and market conditions.

#### Liquidity Risk Management Framework

LRM is an independent oversight function operating as part of the second line of defense within the context of liquidity risk and is responsible for overseeing and evaluating the effectiveness of the liquidity management activities performed by Treasury and the lines of business. LRM directly supports the Americas Chief Risk Officer in overseeing the liquidity risk management framework for the Americas region.

Treasury is responsible for proactive management of liquidity risks within the Firm. At least annually, LRM reviews and evaluates the adequacy and effectiveness of DB's liquidity risk management practices.

As part of ongoing monitoring of liquidity risk, LRM reviews liquidity metrics such as the Internal Liquidity Stress Test results, LCR, NSFR, and the Firm's aggregate liquidity buffer. Commentary is provided, to Enterprise Risk Management ("ERM"), as part of the Weekly Risk Report that is sent to members of the DB USA Risk Committee.

#### Liquidity Stress Testing

Within the risk measurement work stream of the liquidity management framework, liquidity stress testing is a core tool for measuring liquidity risk and evaluating the Firm's liquidity position. The Firm uses both regulatory metrics, such as LCR and NSFR, and internal metrics, such as liquidity stress tests and the Long-term Funding Analysis (LTFA) to respectively monitor short-term and long-term liquidity. The liquidity stress test is used to quantify the Firm's liquidity position over a time horizon up to one (1) year, measure and analyze expected cash inflows and outflows in stress, determine whether the current and future stressed net liquidity position is in line with the relevant risk appetite, set the liquidity buffer requirements and efficiently manage the liquidity position of the Firm.

The Internal Liquidity Stress Test measures the net liquidity position of the Firm under different scenarios by applying validated liquidity risk assumptions to the Firm's assets, liabilities, and off-balance sheet items, which are identified to have liquidity risk. The Internal Liquidity Stress Test is run daily and is produced for a 12-month forward looking time horizon.

#### Long-Term Funding Analysis

As part of its long-term liquidity management, DB employs a long-term funding analysis (LTFA) which was designed as a rigorous approach to assess the adequacy of long-term funding and is complementary to and symmetrical with the Internal Liquidity Stress Test. The LTFA quantitatively sizes the amount of long-term funding required based on the liquidity characteristics/ funding requirements of the assets. For DB USA, this analysis is updated monthly. DB USA consistently maintains a surplus LTFA position.



**Table 6: U.S. Quantitative NSFR Disclosures**

The following tables present the Firm's average NSFR, and the average unweighted and weighted amounts across the prescribed tenor bucketing for 1Q 2025 and 2Q 2025:

\$ in millions		Unweighted and weighted averages for quarter ended March 31, 2025 (1Q 2025)						
		Unspecified Maturity	Open Maturity	< 6 Months	6 months to < 1 year	>= 1 year	Perpetual	Weighted Amount
<b>ASF ITEM</b>								
1	Capital and Securities: <sup>1</sup>	0	0	0	0	0	13,320	13,298
2	NSFR regulatory capital elements	0	0	0	0	0	13,320	13,298
3	Other capital elements and securities	0	0	0	0	0	0	0
4	Retail Funding:	0	1,685	73	3	0	0	1,238
5	Stable Deposits	0	37	0	0	0	0	36
6	Less stable deposits	0	778	72	3	0	0	766
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	0	0	0	0	0	0	0
8	Other retail funding	0	870	0	0	0	0	435
9	Wholesale funding:	0	30,568	59,966	2,215	7,092	0	15,787
10	Operational deposits	0	11,880	0	0	0	0	5,938
11	Other wholesale funding	0	18,688	59,966	2,215	7,092	0	9,849
12	Other liabilities: <sup>1,2</sup>	15	1,415	1,610	109	2,887	0	0
13	NSFR derivatives liability amount	4	0	0	0	0	0	0
14	Total derivatives liability amount	11	0	0	0	0	0	11
15	All other liabilities not included in the above categories	0	1,415	1,610	109	2,887	0	0
16	ASF trapped at subsidiaries	0	0	0	0	0	0	0
17	<b>TOTAL ASF</b>	0	0	0	0	0	0	30,323
<b>RSF ITEM</b>								
18	Total high-quality liquid assets (HQLA)	0	35,856	2,348	488	16,048	0	467
19	Level 1 liquid assets	0	35,261	2,343	487	15,804	0	180
20	Level 2A liquid assets	0	0	0	0	0	0	0
21	Level 2B liquid assets	0	0	0	0	0	0	0
22	Zero percent RSF assets that are not level 1 liquid assets	0	27	8	1	295	0	0
23	Operational deposits placed at financial sector entities or their consolidated subsidiaries	0	870	0	0	0	0	435
24	Loans and securities:	0	25,915	48,069	524	11,084	0	16,062
25	Loans to financial sector entities secured by level 1 liquid assets	0	13,128	44,277	303	1	0	303
26	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	0	6,796	2,591	982	2,030	0	3,941
27	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	0	5,953	1,825	669	6,670	0	9,893
28	Of which: With a risk weight no greater than 20 percent under [AGENCY CAPITAL REGULATION]	0	13	325	891	22	0	636
29	Retail mortgages	0	3	212	155	1,554	0	1,202
30	Of which: With a risk weight no greater than 50 percent under [AGENCY CAPITAL REGULATION]	0	0	0	0	1,517	0	986
31	Securities that do not qualify as HQLA	0	35	0	0	829	0	722
32	Other assets: <sup>2</sup>	848	22	56	0	6,592	0	7,232
33	Commodities	0	0	0	0	0	0	0
34	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements	592	0	0	0	0	0	503
35	NSFR derivatives asset amount <sup>1</sup>	54	0	0	0	0	0	54
36	Total derivatives asset amount	127	0	(0)	0	0	0	62
37	RSF for potential derivatives portfolio valuation changes	75	0	0	0	0	0	4
38	All other assets not included in the above categories, including nonperforming assets	0	22	56	0	6,592	0	6,671
39	Undrawn commitments	0	6,347	2,065	0	0	0	421
40	<b>TOTAL RSF</b>							24,329
41	<b>Required stable funding adjustment percentage</b>							85%
42	<b>TOTAL adjusted RSF</b>							20,680
43	<b>NET STABLE FUNDING RATIO</b>							147%

1. NSFR regulatory capital elements are based on monthly ledger balances.

2. Components of "Other Assets" and "Other Liabilities" are updated monthly based on month end ledger balances.

\$ in millions		Unweighted and weighted averages for quarter ended June 30, 2025 (2Q 2025)						
		Unspecified Maturity	Open Maturity	< 6 Months	6 months to < 1 year	>= 1 year	Perpetual	Weighted Amount
ASF ITEM								
1	Capital and Securities: <sup>1</sup>	0	0	0	0	0	13,515	13,515
2	NSFR regulatory capital elements	0	0	0	0	0	13,515	13,515
3	Other capital elements and securities	0	0	0	0	0	0	0
4	Retail Funding:	0	1,312	64	1	0	0	1,015
5	Stable Deposits	0	37	0	0	0	0	35
6	Less stable deposits	0	710	63	1	0	0	696
7	Sweep deposits, brokered reciprocal deposits, and brokered deposits	0	0	0	0	0	0	0
8	Other retail funding	0	566	0	0	0	0	283
9	Wholesale funding:	0	33,039	58,296	1,217	6,898	0	15,316
10	Operational deposits	0	12,038	0	0	0	0	6,019
11	Other wholesale funding	0	21,001	58,296	1,217	6,898	0	9,297
	Other liabilities <sup>1,2</sup>	3	1,037	1,568	121	3,240	0	0
12	NSFR derivatives liability amount	0	0	0	0	0	0	0
13	Total derivatives liability amount	2	0	0	0	0	0	1
14	All other liabilities not included in the above categories	1	1,037	1,568	121	3,240	0	0
	ASF trapped at subsidiaries	0	0	0	0	0	0	1
15	TOTAL ASF	0	0	0	0	0	0	29,844
RSF ITEM								
16	Total high-quality liquid assets (HQLA)	0	37,235	2,025	911	16,673	0	646
17	Level 1 liquid assets	0	36,311	2,014	911	16,330	0	193
18	Level 2A liquid assets	0	27	0	0	81	0	16
19	Level 2B liquid assets	0	0	0	0	0	0	0
20	Zero percent RSF assets that are not level 1 liquid assets	0	24	11	0	262	0	0
21	Operational deposits placed at financial sector entities or their consolidated subsidiaries	0	874	0	0	0	0	437
22	Loans and securities:	0	23,532	50,511	895	10,741	0	15,609
23	Loans to financial sector entities secured by level 1 liquid assets	0	11,050	47,665	349	33	0	376
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	0	6,896	1,944	856	1,739	0	3,502
25	Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	0	5,573	1,716	1,064	6,773	0	9,933
26	Of which: With a risk weight no greater than 20 percent under [AGENCY CAPITAL REGULATION]	0	2	519	836	12	0	668
27	Retail mortgages	0	1	181	332	1,746	0	1,409
28	Of which: With a risk weight no greater than 50 percent under [AGENCY CAPITAL REGULATION]	0	0	0	0	1,665	0	1,082
29	Securities that do not qualify as HQLA	0	12	0	0	450	0	389
	Other assets: <sup>2</sup>	694	17	1	0	7,074	0	7,548
30	Commodities	0	0	0	0	0	0	0
	Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements	401	0	0	0	0	0	341
31								
32	NSFR derivatives asset amount <sup>1</sup>	114	0	0	0	0	0	114
33	Total derivatives asset amount	178	0	(1)	(0)	0	0	115
34	RSF for potential derivatives portfolio valuation changes	1	0	0	0	0	0	0
35	All other assets not included in the above categories, including nonperforming assets	0	17	2	0	7,074	0	7,093
36	Undrawn commitments	0	6,347	2,100	0	0	0	422
37	TOTAL RSF							24,226
38	Required stable funding adjustment percentage							85%
39	TOTAL adjusted RSF							20,592
40	NET STABLE FUNDING RATIO							145%

1. NSFR regulatory capital elements are based on monthly ledger balances.

2. Components of "Other Assets" and "Other Liabilities" are updated monthly based on month end ledger balances.

Due to rounding, numbers presented throughout this disclosure may not appear to add-up precisely.