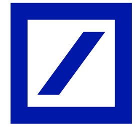

DB USA Corporation

Pillar 3 Report 2023

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Introduction

Disclosures according to Pillar 3 of the Basel 3 Capital Framework

The purpose of this Report is to provide Pillar 3 disclosures for DB USA Corporation ("DB USA Corp") as required by the regulatory framework for capital & liquidity, established by the Basel Committee on Banking Supervision, also known as Basel 3. On a European level these are implemented in the disclosure requirements pursuant to Part Eight of the "Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" (Capital Requirements Regulation, or "CRR") and the "Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" (Capital Requirements Directive 4, or "CRD 4"). Germany implemented these CRD 4 requirements into national law in Section 26a of the German Banking Act ("Kreditwesengesetz" or "KWG"). Per regulation it is not required to have Pillar 3 disclosures audited. As such the information provided in this Pillar 3 Report is unaudited.

Additional Disclosure Requirements for Large Subsidiaries

In accordance with Article 13 (1) CRR, large subsidiaries are required to disclose information to the extent applicable in respect of own funds, capital requirements, capital buffers, credit risk adjustments, remuneration policy, leverage and use of credit risk mitigation techniques on an individual or sub-consolidated basis.

Large subsidiaries are identified in accordance with Article 4 No. 146 and 147 CRR, and applied to all subsidiaries classified as "credit institution" under the CRR and not qualifying for a waiver status pursuant to Section 2a KWG in conjunction with Article 7 CRR. A subsidiary is required to comply with the requirements in Article 13 (1) CRR (as described above) if at least one criterion mentioned in the list below has been met. The total value of assets referenced below is calculated on an IFRS basis as of December 31, 2023:

- The subsidiary is a global systemically important institution;
- It has been identified as an other systemically important institution (O-SII) in accordance with Article 131(1) and (3) of Directive 2013/36/EU;
- The subsidiary is, in the Member State in which it is established, one of the three largest institutions in terms of total value of assets;
- Total value of assets on an individual basis or sub-consolidated basis is equal to or greater than € 30 billion.

As a result of the selection process described above, DB USA Corp has been identified as a "large" subsidiary for the Group and hence required to provide additional disclosure requirements in accordance with Article 13 CRR.

DB USA Corp publishes the Pillar 3 disclosure report on a quarterly basis on its website at https://www.db.com/ir/en/reports-and-events.htm.

All financial information disclosed is presented in USD and is rounded to the nearest million, with exception to certain tables in the Remuneration section which are reported in Euro. The consolidated financial balance sheet is based on DB USA Corp financial statements prepared in accordance with U.S. generally accepted accounting principles (US GAAP). Regulatory capital and credit exposure disclosures are based on DB USA Corp Consolidated Financial Statements for Holding Companies (FR Y-9C).

Location of Pillar 3 disclosures

The following table provides an overview of the location of the required Pillar 3 disclosures in this Pillar 3 Report.

Pillar 3 requirements topic with reference to CRR-Article	Primary location in this report
Main features of the CET1, AT1 and Tier 2 instruments, and reconciliation of filters/deductions applied to own funds and balance sheet (Article 437)	❖ "Regulatory Capital" ❖ "Reconciliation of Financial and Regulatory Balance Sheet"
Compliance to own funds requirements (Article 92)	❖ "Regulatory Capital table" table ❖ "Regulatory Capital Requirements and Risk-weighted Assets" table
Approach to assessing the adequacy of internal capital to support current and future activities (Article 438 (a)	❖ "Internal Capital Adequacy Assessment Process" section
Risk-weighted exposure amounts (Article 438 (c)-(f)	❖ "Gross exposure by asset class and geographical region" table ❖ "Gross exposure by class and residual maturity" table ❖ "Exposure values in the standardized approach by risk weight" table
Capital buffer (Article 440)	❖ "Minimum capital requirements and additional capital buffers" section. ❖ "Gross exposure by class and geographical region" table
Credit risk adjustments: information regarding exposure to credit risk and dilution risk (Article. 442)	❖ "Impairment loans, allowance for loan losses and coverage ratio by business divisions" table ❖ "Impairment loans, allowance for loan losses and coverage ratio by industry" table ❖ "Impairment loans, allowance for loan losses and coverage ratio by region" table ❖ "Impaired Loans" table
Remuneration policy (Article 450)	❖ "Remuneration policy" section
Leverage (Article 451)	❖ "Supplemental Leverage Ratio" section
Liquidity (Article 451a)	❖ "Liquidity" section
Use of credit risk mitigation techniques (Article 453)	❖ "Credit risk management" section

Basis of Presentation

DB USA Corp Pillar 3 Report has been prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), while Regulatory Capital and Risk Weighted Assets ("RWA") calculations are based on U.S. Basel 3 Standardized Approach ("U.S. Basel 3") capital rules. In this regard RWA, Regulatory Capital and associated disclosures are based on U.S. regulatory reporting requirements as defined by the Federal Reserve Bank FR Y-9C Consolidated Financial Statements for Bank Holding Companies ("FR Y-9C") and in conjunction with U.S. Basel 3 rules. Quantitative Pillar 3 disclosures, in the Pillar 3 Report follow the classification and segmentation required by the FR Y-9C reporting requirements and U.S. Basel 3 guidelines. Where appropriate, disclosure tables required by the European Banking Authority ("EBA") have introduced and modified, in order to present information consistent with the reporting made in the FR Y-9C and the DB USA Corp audited financial statements, also prepared on a U.S. GAAP basis.

Scope of Application

DB USA Corp is the US Intermediate Holding Company ("IHC") of Deutsche Bank AG ("DB Group") that is implemented pursuant to Regulation YY: Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations, codified in 12 C.F.R. Part 252, and, in particular, Subpart O - Enhanced Prudential Standards for Foreign Banking Organizations with Total Consolidated Assets of $100 Billion or More and Combined U.S. Assets of $100 Billion or More" (the "FBO EPS Rule"). The FBO EPS Rule requires that a foreign banking organization ("FBO") having combined US assets of $100 billion or more and US non-branch assets of $50 billion or more establish in the US an IHC for its US subsidiaries that must be organized under the applicable US laws and operate under all applicable US regulatory requirements, including leverage and risk-based capital standards, stress testing, risk management and liquidity requirements. DB USA Corp consolidates all of DB Group subsidiaries in the U.S. which include Deutsche Bank Trust Corporation ("DBTC"), Deutsche Bank Trust Company Americas ("DBTCA"), Deutsche Bank Securities Inc. ("DBSI"), Deutsche Bank US Financial Markets Holding Corp. ("DBUSH"), Deutsche Bank Americas Holding Corp. ("DBAH") and German American Capital Corp. ("GACC").

DB Group offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world, organized under five corporate divisions as of December 31, 2023: Investment Bank (IB), Corporate Bank (CB), Private Bank (PB), Asset Management (AM) and Corporate & Other (C&O). DB USA predominately operates in three of these divisions: Investment Bank (IB), Corporate Bank (CB), and Private Bank (PB).

The main products and services currently offered by DB USA Corp include:

— Investment Bank (IB), primarily covers Markets which facilitates: (i) client financing services through repo and client cash prime brokerage/securities lending for Prime Finance clients, (ii) market-making activities and secondary market liquidity to clients in U.S. cash products across Rates, Credit, and Asset Backed Securities, (iii) hedging solutions and investment products to DB clients through market-making in listed derivatives (execution, clearing and settlement), and (iv) new issue and syndication of Investment Grade, High Yield, and Asset Backed Securities.

— Corporate Bank (CB), covers Corporate / Commercial clients, comprising Commercial Banking which provides lending including Residential Real Estate (RRE), Commercial Real Estate (CRE), structured loans and Lombard (margin) loans, and Global Transaction Banking (GTB). GTB comprises cash management (including overdraft facilities provided to clients), trade finance services (including letters of credit, financial supply chain management, accounts receivable purchasing, custom-made and performance-risk finance solutions for structured trade finance services and commodity trade finance services) and trust services, and advisory services across Mergers & Acquisitions, Equity Capital Markets (ECM), Debt Capital Markets (DCM), Leveraged Debt Capital Markets (LDCM), as well as funding and structuring client solutions.

— Private Bank (PB), comprises Wealth Management which offers high net worth clients a broad range of traditional and alternative investment solutions, providing a holistic service for all aspects of Wealth Management including deposit taking, discretionary portfolio management, trust services, and custody services to High Net Worth (HNW) and Ultra High Net Worth (UHNW) individuals.

The above corporate divisions are supported by several infrastructure functions including Risk, Finance, Operations, Technology, Compliance, Anti-Financial Crime, Legal, Human Resources and Research.

DB USA Corp integrates into the DB Group operations, policies and procedures as part of its core risk management framework as further elaborated in the next sections.

Risk Management Framework and Governance

Risk Management Framework

The risk management at DB USA Corp. is integral to DB Group's risk management framework and processes

- Core risk management responsibilities are embedded in the DB USA Corp. Board ("Board") and delegated to senior risk managers and senior risk management committees including the DB USA Corp. Risk Committee ("RiskCo")
- Organizational structures must follow the Three Lines of Defense ("3LoD") model with a clear definition of roles and responsibilities for all risk types.
  - Every employee must act as a risk manager consistent with DB USA Corp's risk appetite, risk management standards and values.
  - The Management Board approved risk appetite must be cascaded and adhered to across all dimensions of the Group, with appropriate consequences in the event of a breach.
  - Risks must be identified and assessed.
  - Risks must be actively managed including via appropriate risk mitigation and effective internal control systems.
  - Risks must be measured and reported using accurate, complete, and timely data using approved models.
  - Regular stress tests must be performed against adverse scenarios and appropriate crisis response planning must be established.
  - The 1st Line of Defense ("1st LoD") refers to those roles in the Bank whose activities generate risks, whether financial or non-financial, and who own and are accountable for the risks which are generated in their respective organizations. The 1st LoD cannot delegate its accountability for the management of its own risks and must adhere to the standards set by the 2nd Line of Defense ("2nd LoD") as well as any applicable regulatory requirements. The 1st LoD manages these risks within the defined risk appetite, establishes an appropriate risk governance and risk culture.
  - The 2nd Line of Defense ("2nd LoD") refers to the roles in the Bank who define the risk management framework for a specific risk type. The 2nd LoD independently assesses and challenges the implementation of the risk type framework and adherence to the risk appetite and acts as an advisor to the 1st LoD on how to identify, assess and manage risk.
  - The 3rd Line of Defense ("3rd LoD") is Group Audit, which is accountable for providing independent and objective assurance on the adequacy of the design, operating effectiveness and efficiency of the risk management system, systems of internal controls and governance of the 1st LoD and 2nd LoD.

The risk culture at DB USA Corp. is fully integrated in DB Group's risk culture framework and processes. The 3LoD risk management structure assigns risk ownership at the level of the businesses and individuals taking on the risks – 1st LoD. The 3LoD organization structure is designed to protect customers and shareholders against risk-based losses and the resulting reputational damage. The 3LoD structure ensures that all risks are taken on, and managed, in the best and long-term interest of the bank. The establishment of risk appetite, monitoring of risk levels against risk appetite and provision of challenge to risk management decisions is performed by independent control functions – second line of defense (2nd LoD). Independent assurance over the design and operation of controls, in turn, is provided by the third line of defense (3rd LoD). This structure ensures that all risks are identified and managed and that risk management accountabilities are clearly assigned. It is expected that employees exhibit behaviours that support a strong risk culture in line with DB USA Corp's Code of Conduct. To promote this, DB USA Corp's policies require that risks taken (including against risk appetite) must be considered during performance assessment and compensation processes. This expectation continues to be reinforced through communications campaigns and mandatory training courses for all DB employees. In addition, DB USA Corp's Management Board members and senior management frequently communicate the importance of a strong risk culture to support consistent tone from the top.

Risk Governance

DB USA Corp. operations are regulated and supervised by the Federal Reserve Board (FRB). Such regulation focuses on licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organizational and reporting requirements. At the Group, the European Central Bank ("ECB") in connection with the competent authorities of EU countries which joined the Single Supervisory Mechanism via the Joint Supervisory Team, act in cooperation as primary supervisors to monitor DB Group's compliance with the German Banking Act and other applicable laws and regulations.

The risk management governance structure of DB USA Corp. is designed to ensure clear regional accountability that is commensurate with its risk profile, structure, complexity, activities, and size. The organizational structure provides clear lines of accountability for monitoring risk and capital and escalating breaches of key capital and liquidity limits and thresholds as applicable. The Chief Risk Officer, Americas has responsibility for the risk management of DB USA Corp., which is inclusive of but not limited to, all Credit, Market, Liquidity and Non-financial risks as well as overseeing the measurement, aggregation and monitoring of risks and establishing a sound and strong risk culture and governance. Below are several examples of key DB USA Corp. governance bodies. More in depth risk management governance information can be found in Deutsche Bank AG`s Combined U.S. Operations (the "CUSO") Risk Management Framework.

DB USA Corp. Risk Committee ("RiskCo")

The DB USA. Board has delegated authority to the RiskCo to serve as the risk committee of DB USA and the CUSO, which serves as both a decision-making body and a forum for information sharing on risk issues.

The RiskCo is a committee of the DB USA Board and escalates issues as necessary to the DB USA Board. The RiskCo operates under a Board – approved Charter, which is reviewed annually and sets forth the committee's roles and responsibilities.

The RiskCo is responsible for periodically reviewing, approving / recommending for approval for DB USA and CUSO key risk management policies, risk appetite and strategy, the DB USA capital plan.

Additionally, the RiskCo regularly reviews and discusses with management strategies as well as controls related to market, credit, operational, liquidity, compliance, anti-financial crime, reputational, climate and model risk management for DB USA and CUSO.

U.S. (Operations) Management Risk Council ("U.S. MRC")

The U.S. (Operations) Management Risk Council (U.S. MRC) supports the management of the risk profile as well as the alignment of risk appetite, liquidity, and funding within DB USA Corp. and the CUSO. The U.S. MRC has responsibility to oversee risk and capital management, monitor the compliance to the risk appetite and limits and act upon, or escalate any issues that fall within its remit. The U.S. MRC also supports DB USA Corp. with its capital adequacy planning as well as capitalization requirements and monitors the compliance with these.

The CRO, Americas is the Chairperson of the Council and the Chief Financial Officer (CFO), Americas is Vice Chairperson. The U.S. MRC includes the heads of risk types (as members) and senior business representatives (as guests) in addition to the CRO, Americas to ensure the appropriate subject matter experts (SMEs) are responsible for review and recommendation of relevant risk matters.

U.S. Asset and Liability Management Council ("U.S. ALCo")

The mandate of the U.S. ALCo is to function as an advisory body for the Americas region, conveying the views of its members concerning their individual business lines or infrastructure functions in optimization of sourcing and deployment of financial resources including balance sheet, capital, and liquidity and funding management, within the overarching Deutsche Bank AG strategy set by Group and CUSO's risk appetite.

Risk Appetite and Capacity

Risk is taken and monitored within a defined risk appetite across various dimensions of DB USA Corp.'s activities, with appropriate consequences applied where appetite is breached.

Risk appetite represents the aggregate level and types of risk it is willing to assume relative to its risk capacity to achieve its strategic objectives. Risk capacity reflects the maximum level of risk it can assume given its current resources before breaching constraints determined by regulatory capital and liquidity needs, the operational environment (e.g., infrastructure, risk management capabilities, expertise), expectations and from a conduct perspective of key stakeholders.

DB USA Corp. is operating within DB's integrated risk appetite framework which articulates, monitors and effectively controls risk across multiple dimensions – at the DB Group (global), legal entity / branch and business unit level – which constrains the capacity of each dimension to take risk, aligned to business planning and strategy development. The risk appetite framework is a cornerstone of DB's risk culture in reinforcing risk awareness and embedding appropriate risk-taking behavior required of all DB employees.

DB's risk appetite is driven and articulated by four key components that, together, should ensure the effective management of risk. These key components are:

- Strategic objectives: The articulation of Risk Appetite should be linked to the strategy and material risks of the Group, legal entity (subsidiaries and branches) or Business unit.
- Qualitative statements: Clearly articulated statements should set the overall tone for the entity's approach to risk taking, including the motivations for taking on or avoiding certain types of risks, products, country/regional exposures, or other categories.
- Top-down allocation and calibration: The framework should define 'top-down' Risk Appetite relative to risk capacity across earnings, capital adequacy and liquidity which is allocated to risk types to support calibration of limits & thresholds.
- Quantitative risk appetite metrics: Risk appetite must be defined through key risk limits and thresholds, calibrated to be within top-down risk type allocations. These include metrics for Asset Class risk appetite.

DB USA Corp's Risk Appetite is approved by the DB USA Board which maintains its oversight of adherence to Risk Appetite via the CUSO RCP Report monthly or as required. In addition, the DB USA Board delegates specific responsibilities for the setting, monitoring and decision making of Risk Appetite to dedicated committees. This includes, inter alia:

- RiskCo: Recommends (to the DB USA Board) and monitors adherence to Risk Appetite.
- U.S. MRC: Recommends (to the CRO, Americas and RiskCo) and monitors adherence to Risk Appetite.

Consent for the DB USA's Risk Appetite is also provided by Group (as required by a shareholder agreement between DBAG and DB USA), by the Global Head of ERM.

Risk and Capital Plan

Strategic and Capital Plan

Business strategy, foundational risk management and capital management are closely linked and interrelated processes at DB Group and at DB USA Corp.

DB USA Corp.’s capital planning process is closely linked to the Group's annual strategy setting and business planning cycle. Each business division engages in bottom-up legal entity planning to determine whether Group and divisional targets, including allocated resources, conform to entity-level constraints and risk appetite. This process provides a feedback loop in which the bottom-up entity-level planning is aligned with the top-down Group-level planning. For the Americas Capital Management team this feedback loop for DB USA Corp. is through dialogue with the Group Treasury colleagues.

DB USA Corp. conducts annually integrated strategic planning process, which lays out the development of the future strategic direction as an entity and for the business areas. The strategic plan aims to create a holistic perspective on capital, funding and risk under risk-return considerations. This process translates DB USA Corp’s long-term strategic targets into measurable short- to medium-term financial targets and enables intra-year performance monitoring and management. DB USA Corp. aims to identify growth options by considering the risks involved and the allocation of available capital resources to drive sustainable performance. Risk-specific portfolio strategies complement this framework and allow for an in-depth implementation of the risk strategy on a portfolio level, addressing risk specifics including risk concentrations.

The strategic planning process consists of two phases: a top-down target setting and a bottom-up substantiation. In the top-down target setting, key targets for profit and loss (including revenues and costs), capital supply, and capital demand as well as leverage, funding and liquidity are discussed for DB USA Corp. and the key business areas. In this process, targets are defined based on the global macroeconomic outlook and the expected regulatory framework. Subsequently, the targets are approved by management and the DB USA Corp. Board. In the bottom-up phase, targets are substantiated by detailed business unit plans. The proposed bottom-up plans are reviewed and challenged by Finance and Risk and are discussed individually with the business heads. The specifics of the business are considered, and concrete targets decided in line with DB USA Corp.’s strategic direction. Stress tests complement the strategic plan to also consider stressed market conditions.

Internal Capital Adequacy Assessment Process

DB USA Corp.’s internal capital adequacy assessment process (ICAAP) consists of several well established components which ensure that DB USA Corp. maintains sufficient capital to cover the risks to which the bank is exposed on an ongoing basis:

- The Risk ID process forms the basis of the ICAAP and results in an inventory of risks for DB USA Corp. All risks identified are assessed for their materiality. Further details can be found in the “Risk Identification and Assessment” section.
- Capital demand & capital supply: Risk measurement methodologies and models are applied to quantify the capital demand which is required to cover all material risks except for those which cannot be adequately limited by capital e.g., liquidity risk. Capital supply quantification refers to the definition of available capital resources to absorb unexpected losses. Further details can be found in the “Risk and Capital Management” section.
- Risk appetite: DB USA Corp. has established a set of qualitative statements, quantitative metrics and thresholds which express the level of risk that the Bank is willing to assume to achieve the strategic objectives. Threshold breaches are subject to a dedicated governance framework triggering management actions aimed to safeguard capital adequacy. The risk management function continually analyses and monitors the risk profile of the business to ensure adherence to the approved plan, and to thresholds set for risk appetite metrics. Further details can be found in the sections “Risk Appetite and Capacity” section.
- The CUSO Risk Management Framework provides documentation of the risk governance and management framework of DB USA Corp. by main risk types as well as overall risk management practices in place. The monthly RCP Report is also used as a key tool to analyze, monitor, and report DB USA Corp.’s risk and capital profile. It is also leveraged to

oversee the development of key risk metrics compared to the established risk appetite thresholds and if necessary, escalate for management actions.

— Capital planning: The risk appetite thresholds for capital adequacy metrics constitute boundaries which have to be met in the strategic plan to safeguard capital adequacy on a forward-looking basis. The capital plan provides forward-looking aspects of DB USA Corp.'s business and risk strategy, broken down by key business activities. This overview supports the decision making processes of the relevant governance bodies over the course of the year. Further details can be found in the "Strategic and Capital Plan" section.

— Stress testing: Capital plan figures are also considered under various stress test scenarios to prove resilience and overall viability of the bank. Capital adequacy metrics are also subject to regular stress tests to constantly evaluate DB USA Corp.'s capital position in hypothetical stress scenarios and to detect vulnerabilities under stress. Further details can be found in the "Stress Testing" section.

Stress Testing

Stress testing is a key risk measurement practice which enables the Bank to evaluate the potential effects of a specific event and / or a movement in a set of risk factors (e.g., macroeconomic scenarios), on its overall portfolio. Stress testing plays an important role in a number of risk management activities, in particular risk management and risk mitigation as well as risk appetite and forward looking planning processes that account for DB USA Corp.'s unique risks and that ensure sufficient capital and liquidity to continue operations through times of economic and financial stress.

Management is responsible for initiating and properly documenting remedial measures and mitigating actions based on the stress test results in the context of the risk appetite, if deemed appropriate or necessary.

DB USA Corp. can identify and utilize additional types of stress testing to the extent such methods adhere to the DB USA Corp. Stress Testing Policy.

Capital Stress Testing

Capital stress testing is regularly performed to assess capital adequacy under stress for DB USA Corp. (including regulatory capital stress testing in accordance with the Federal Reserve's annual Comprehensive Capital Analysis & Review (CCAR) and the Dodd-Frank Act Stress Test (DFAST) requirements). The scenarios are defined both internally and by the Federal Reserve Board (FRB). The internally developed scenarios are designed to stress DB USA Corp.'s unique risk profile. In addition, where relevant and applicable, DB USA Corp. may also incorporate idiosyncratic features into its stress testing exercises to complement the scenario testing / scenario analysis as part of DFAST / CCAR.

Capital stress testing is integrated into the financial planning process. Stress tests of material risks and financial drivers are used to determine the impact to capital under severely adverse conditions. The results are incorporated into the strategic planning process and assessment of capital limits and targets.

In addition to CCAR and DFAST stress testing, DB USA Corp. management runs internal capital stress tests during subsequent quarters. Scenarios are developed based on current or projected events or on circumstances that will provide insights into DB USA Corp.'s unique risk profile to assist management and the Board in developing business strategy and allocating resources.

DB USA Corp. took part in the CCAR 2023 stress test and received a non-objection from the FRB to its capital plan.

Liquidity Stress Testing

DB USA Corp. performs local daily liquidity stress tests to satisfy Regulation YY regulatory requirements. Liquidity stress testing analyses DB USA Corp.'s ability to withstand predefined stress events under the condition that the net liquidity position should exceed the approved liquidity risk appetite. The sNLP is produced daily for each key legal entity in the CUSO, with corresponding risk appetite limits (board limits).

Risk and Capital Management

Capital Management

Group Treasury manages the solvency, capital adequacy and leverage at the Group level and locally in each region by legal entity. The Americas Capital Management team implements DB USA Corp.'s capital strategy, which is developed by management and approved by the Board, including any issuance and repurchases of capital instruments, and limit setting. The capital management function is integrated with the Group-wide strategic planning process which lays out the development of DB USA Corp's future strategic direction as an entity and for the business divisions operating within the entity. The capital management function is informed by a comprehensive Risk ID and scenario design process, to ensure sufficient capital is maintained to face the risks and apply appropriate risk-management techniques to maintain adequate capitalization on an ongoing and forward looking basis.

Capital Adequacy Assessment

DB USA Corp. manages its capital position to ensure capital is more than adequate to support its business activities and to maintain capital, risk and risk appetite commensurate with each other. DB USA Corp.'s capital adequacy assessment process is focused on measuring capital and liquidity and assessing whether it is sufficient given the current and future risk profile, economic environment, business outlook and regulatory requirements. DB USA Corp. uses both base and stress macroeconomic and market scenario projections to manage its capital supply and demand levels over a nine-quarter projection horizon. Treasury is responsible for conducting the capital adequacy assessment and providing the necessary information for management to make recommendations to the Board regarding capital management and capital actions in line with business strategies.

DB USA Corp.'s capital adequacy assessment process is performed with Group-wide engagement, to ensure capital adequacy decisions are aligned with Group-wide planning and objectives as appropriate. DB USA Corp. capital adequacy matters which impact Group objectives are discussed locally and socialized with other Group level committees and senior management members.

DB USA Corp. measures capital adequacy against the Board approved risk appetite levels for post-stress capital goals, that considers not only regulatory minimums, but also the entity's risk profile, material legal entity capitalization levels, potential G-SIB surcharges, and importantly, the internal and external stakeholder expectations of DB USA Corp's shareholder (i.e. the Group), clients, counterparties, rating agencies, creditors and regulators. Additionally, DB USA Corp. maintains a capital buffer above its post-stress capital goals to withstand a severe economic downturn and idiosyncratic risks to the entity. The capital buffer is informed by (1) the level of capital consumption under a severely adverse economic scenario including idiosyncratic event losses as part of the enterprise stress testing process, (2) a review of DB USA Corp.'s liquidity and funding profile during periods of stress and inclusion of any subsequent actions needed to maintain sufficient liquidity and funding, and (3) a review of the sensitivity analysis on capital to deviations in key assumptions and macroeconomic inputs to understand potential variability in capital supply and demand over the projection horizon.

DB USA Corp. measures capital adequacy for all internal and regulatory capital metrics defined in DB USA Corp.'s Capital Management Policy and Risk Appetite Statement.

Capital Instruments and Distributions

The Americas Capital Management team manages the issuance and repurchase of capital instruments, namely Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments, as well as capital distributions from DB USA Corp. to the Group, and upstream distributions to DB USA Corp. from its operating subsidiaries. Prior to issuing or distributing capital in the form of regulatory capital instruments or common and preferred dividends, DB USA Corp. adheres to the guidelines and dividend pay-out ratio defined in its capital management policy that is approved by the Board. The capital management policy sets forth the

criteria to inform the size and form of distributions, as well as triggers for the suspension of distributions such as a breach of internal capital buffers.

Capital Contingency Plan

DB USA Corp's Capital Contingency Plan (CCP) reflects DB USA Corp.'s strategies for identifying potential or actual capital shortfalls and provides a roadmap for prompt and specific actions to restore any current or prospective deficiencies in its capital to the levels defined in DB USA Corp.'s Capital Management Policy.

Treasury is responsible for ensuring that DB USA Corp.'s CCP is integrated with the Global Crisis Management and Recovery and Resolution Planning (RRP) framework through close coordination with Non-Financial Risk Management (NFRM) and Enterprise Risk Management (ERM). In addition, the CCP is closely aligned with the CUSO Contingency Funding Plan (CFP) in terms of escalations, governance and the availability of contingency actions. Contingency actions, in the context of the CCP, are defined as any contingency option that DB USA Corp. can execute to remedy current or projected future capital shortfalls.

The CCP also defines the CCP testing framework and Treasury works with Risk to facilitate an annual test of DB USA Corp.'s CCP to among other things, ensure that roles and responsibilities are up-to-date and capital contingency actions remain operationally viable.

Capital Plan

DB USA Corp. maintains and submits the Capital Plan submission to the FRB on an annual basis. The Capital Plan is a comprehensive assessment and documentation of capital adequacy and the capital planning process, prepared for and approved by the Board before being submitted to the FRB. The capital adequacy assessment, proposed capital distributions, and capital contingency plan are included in the Capital Plan submission.

The Capital Plan provides management and the Board with a comprehensive assessment of the business strategy and risks as well as the risk appetite. DB USA Corp. complies with the FRB's capital plan final rule requirement by including (1) an assessment of the expected uses and sources of capital over the planning horizon (at least nine projected quarters) that reflects its size, complexity, risk profile, and scope of operations, assuming both expected and stressful conditions; (2) a detailed description of DB USA Corp.'s process for assessing capital adequacy; (3) DB USA Corp.'s capital management policy; and (4) a discussion of any baseline changes to DB USA Corp.'s business plan that is likely to have a material impact on capital adequacy or liquidity

Contingency Funding Plan

Utilizing the risk appetite framework and assuming Amber status, the recovery procedures as outlined in the Contingency Funding Plan (CFP) document how the DB USA can restore its financial strength and viability during an extreme stress situation (back to Green status). In particular, DB USA maintains a set of countermeasures managed by Treasury, with Risk oversight, which can be deployed before or during a crisis to mitigate the capital/liquidity impact of the stress events. These countermeasures are documented, refreshed regularly, and tested, as applicable. These measures are meant to prepare DB USA so it can maintain its financial strength and viability during a period of extreme economic stress and the countermeasures are generally measures which would have a limited impact on DB USA's franchise or strategy.

Risk Identification and Assessment

The Risk ID Process is the process of identifying, measuring and quantifying material residual risks that arise from its business mix and associated exposures, as well as the complexity of its operations. Risk ID is a critical prerequisite for sound foundational risk management. The Risk ID Process is designed to be deeply integrated into the entire Risk Management function of DB USA Corp. and is involved in a range of use cases including capital planning, risk appetite, reporting and day-to-day risk management.

DB USA Corp. follows a structured Risk ID process to refresh its legal entity level risk inventory on a quarterly basis, the output of which is an inventory of material risks specific and unique to DB USA Corp. The Risk ID process is detailed, structured and well-governed, resulting in a comprehensive inventory of material risks at the legal entity level.

DB USA Corp.'s Risk ID process is centred on the capture of a granular and tangible list of descriptive risks to populate the entity's risk inventory. To ensure the Risk ID process is consistent and sustainable, it is important to first establish a sound methodology for risk identification leveraging several tools, which are reviewed and refreshed on a periodic basis. These tools include:

- A standard data model and template for collecting risks, including the nature of the specific risk and an assessment of the materiality of the risk.
- A common materiality grid to classify the materiality of a given risk based on an assessment of the likelihood of the risk materializing, as well as its potential severity across P&L, liquidity, regulatory and reputational impact.
- A standard risk type taxonomy used as a tool to check for comprehensiveness during the Risk ID process as well as to categorize risks that emerge from the exercise.

To ensure comprehensiveness and completeness of the Risk Inventory, each business segment will capture and assess material descriptive risks that they deem to be most relevant and critical to their businesses. These individual business assessments will then go through an aggregation and synthesis process before they are supplemented by a top-down entity-level review via targeted workshops with subject matter experts, with particular focus paid to affiliate, macro / emerging and strategic risks, as these risks typically arise at the entity level as opposed to in any individual business segment.

The final output of these workshops is the Legal Entity Inventory, which is then submitted for review and challenge to various regional governance committees including, but not limited to, the U.S. (Operations) Management Risk Council, DB USA Corp.'s Risk Committee and finally DB USA Corp.'s Board of Directors for approval.

The timelines for the quarterly risk identification and assessment process in DB USA Corp are aligned to critical downstream processes, in particular, DB USA Corp's year-round capital planning and stress testing which includes activities related to the Federal Reserve's annual Comprehensive Capital Analysis and Review (CCAR) and mid-cycle. The quarterly risk identification and assessment process notwithstanding, the bank is committed to continuously reviewing its risk profile, in particular where emerging risks are concerned.

A key requirement of a robust risk management framework is also that material risks are actively monitored given the rapid evolution of risks during periods of financial and / or operational stress. Beyond the quarterly refresh process that are multiple mechanisms in place to ensure that the risk profile of DB USA Corp. is regularly monitored, and new and emerging risks are highlighted to Senior Management within the region (e.g., Risk & Capital Profile reporting, Americas Weekly Risk Report). The Risk Type Control functions also monitor on an ongoing basis their portfolio and leverage and escalate issues if required.

Credit Risk Management

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which is referred to collectively as "counterparties") exist, including those claims intended for distribution. These transactions are typically part of the traditional non-trading lending activities (such as loans and contingent liabilities), traded bonds and debt securities available for sale or direct trading activity with clients (such as OTC derivatives). The respective positions are managed within the market risk and credit risk frameworks.

Based on the Risk Type Taxonomy, Credit Risk is grouped into four categories, namely default / migration risk, transaction / settlement risk (exposure risk), mitigation (failure) risk and credit concentration risk. This is complemented by a regular Risk ID and materiality assessment.

- **Default / Migration Risk** as the main element of credit risk, is the risk that a counterparty defaults on its payment obligations or experiences material credit quality deterioration increasing the likelihood of a default.

- **Transaction / Settlement Risk (Exposure Risk)** is the risk that arises from any existing, contingent or potential future positive exposure.
- **Mitigation Risk** is the risk of higher losses due to risk mitigation measures not performing as anticipated.
- **Credit Concentration Risk** is the risk of an adverse development in a specific single counterparty, country, industry or product leading to a disproportionate deterioration in the risk profile of Deutsche Bank's credit exposures to that counterparty, country, industry or product.

U.S. Credit Risk Management (CRM) is an independent risk management function organized in alignment with the business divisions operating in the DB USA Corp. CRM identifies, measures, monitors and controls credit risk in accordance with the applicable risk appetite statement with the ability to implement corrective actions in a timely manner. CRM is also responsible for monitoring and testing the effectiveness of credit risk controls.

The U.S. CRM credit teams report to the Chief Credit Officer Americas regionally. CRM is also responsible for maintaining credit risk controls and will escalate concerns regarding the effectiveness of those controls to the MRC or the RiskCo as necessary.

Credit risk is managed using the following philosophy and principles:

- The CRM function is independent from the business divisions and in each of the divisions, credit decision standards, processes and principles are consistently applied.
- A key principle of CRM is client credit due diligence. Client selection is achieved in collaboration with the business division counterparts who stand as a 1st LoD.
- DB USA Corp aims to prevent undue concentration and tail-risks (large unexpected losses) by maintaining a diversified credit portfolio. Client, industry, country, and product-specific concentrations are assessed and managed against its risk appetite.
- DB USA Corp maintains underwriting standards aiming to avoid large undue credit risk on a counterparty and portfolio level. In this regard, unsecured cash positions and assumed and hedging for risk mitigation purposes are actively used. Additionally, DB USA Corp strives to secure its derivative portfolio through collateral agreements and may additionally hedge concentration risks to further mitigate credit risks from underlying market movements.
- Every new credit facility and every extension or material change of an existing credit facility (such as its tenor, collateral structure, or major covenants) to any counterparty requires credit approval at the appropriate authority level. DB USA Corp assigns credit approval authorities to individuals according to their qualifications, experience and training, and reviews these periodically.
- Where appropriate, specialized teams have been established within CRM for deriving internal client ratings, analyzing and approving transactions, monitoring the portfolio or covering workout clients. Within the transaction approval pillar, structured credit risk management teams are in place, aligned to specific lending businesses.
- Where required, processes to report credit exposures at legal entity level have been established.

Credit limits are established by the CRM function via the execution of assigned credit authorities. This also applies to settlement risk that must fall within limits pre-approved by CRM considering risk appetite and in a manner that reflects expected settlement patterns for the subject counterparty. Credit approvals are documented by the signing of the credit report by the respective credit authority holders and retained for future reference.

Credit authority is generally assigned to individuals as personal credit authority according to the individual's professional qualification, experience, and training. All assigned credit authorities are reviewed on a periodic basis to help ensure that they are commensurate with the individual performance of the authority holder.

Where an individual's personal authority is insufficient to establish required credit limits, the transaction is referred to a higher credit authority holder, or where necessary, to an appropriate credit committee.

DB USA Corp. adheres to the DB Group credit authority scheme and all DB USA Corp. credit decisions must be made by DB Group credit officers with the appropriate levels or categories of credit authority delegation. Furthermore, a DB USA Corp. credit decision requires an approval from a U.S. based credit officer to ensure that the credit adheres to DB USA Corp.'s Credit Risk Appetite.

Managing and Mitigation of Credit Risk

Managing Credit Risk on Counterparty Level

Credit-related counterparties are principally allocated to credit officers within credit teams which are organized by types of counterparty (such as financial institutions, corporates, private individuals, etc) or economic area (e.g., emerging markets) and dedicated rating analyst teams where deemed necessary. The individual credit officers have the relevant expertise and experience to manage the credit risks associated with these counterparties and their associated credit related transactions. It is the responsibility of each credit officer to undertake ongoing credit monitoring for their allocated portfolio of counterparties. Procedures are in place intended to identify at an early stage credit exposures for which there may be an increased risk of loss.

In instances where counterparties have been identified where there is a concern that the credit quality has deteriorated or appears likely to deteriorate to the point where they present a heightened risk of loss in default, the respective exposure is generally placed on a "watchlist". DB USA Corp aims to identify counterparties that, on the basis of the application of risk management tools, demonstrate the likelihood of problems well in advance in order to effectively manage the credit exposure and minimize potential losses. The objective of this early warning system is to address potential problems while adequate options for action are still available. This early risk detection is a tenet of DB USA Corp's credit culture and is intended to ensure that greater attention is paid to such exposures.

Mitigation of Credit Risk on Counterparty Level

In addition to determining counterparty credit quality and risk appetite, various credit risk mitigation techniques are also used to optimize credit exposure and reduce potential credit losses. Credit risk mitigants are applied in the following forms:

- Comprehensive and enforceable credit documentation with adequate terms and conditions (including covenants where deemed adequate);
- Collateral in its various forms. Key principles for collateral management include assigning realistic collateral valuations, risk and regulatory capital reduction effectiveness and cost efficiency.
- Risk transfers, including shifting the probability of default risk of an obligor to a third-party including hedging executed by Strategic Corporate Lending (SCL) Other de-risking tools (such as securitizations, etc.) may also be employed; and
- Netting and collateral arrangements which reduce the credit exposure from derivatives and repo and repo-style transactions.

Collateral

DB USA Corp.'s subsidiaries regularly agree on collateral to be received from or to be provided to customers in contracts that are subject to credit risk. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the counterparty default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it generally does not replace the necessity of high-quality underwriting standards and a thorough assessment of the debt service ability of the counterparty.

Collateral received is segregated into the following two types:

- Financial and other collateral, which enables DB USA Corp to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the counterparty is unable or unwilling to fulfil its primary obligations. Cash collateral, securities (equity, bonds), collateral assignments of other claims or inventory, equipment (i.e. plant, machinery and aircraft) and real estate typically fall into this category. All financial collateral is regularly, mostly daily, revalued and measured against the respective credit exposure. The value of other collateral, including real estate, is monitored based upon established processes that includes regular revaluations by internal and/or external experts.
- Guarantee collateral, which complements the counterparty's ability to fulfil its obligation under the legal contract and as such is provided by third parties. Letters of credit, insurance contracts, export credit insurance, guarantees, credit derivatives and risk participations typically fall into this category.

DB USA Corp's processes seek to ensure that the collateral that is accepted for risk mitigation purposes is of high quality. This includes seeking to have in place legally effective and enforceable documentation for realizable and measurable collateral assets which are evaluated regularly by dedicated teams. The assessment of the suitability of collateral for a specific transaction is part of the credit decision and must be undertaken in a conservative way, including collateral haircuts that are applied. There are collateral type specific haircuts in place which are regularly reviewed and approved. In this regard, DB USA Corp strives to avoid "wrong-way" risk characteristics where the borrower's counterparty risk is positively correlated with the risk of deterioration in the collateral value. For guarantee collateral, the process for the analysis of the guarantor's creditworthiness is aligned to the credit assessment process for counterparties.

Netting and Collateral Arrangements for Derivatives and Securities Financing Transactions

Netting is applicable to both exchange traded derivatives and over-the-counter ("OTC") derivatives. Netting is also applied to securities financing transactions as far as documentation, structure and nature of the risk mitigation allow netting with the underlying credit risk.

All exchange traded derivatives are cleared through central counterparties ("CCPs"), which interpose themselves between the trading entities by becoming the counterparty to each of the entities. Where legally required, or where available and to the extent agreed with our counterparties, CCP clearing for our OTC derivative transactions is also used.

The rules and regulations of CCPs typically provide for the bilateral set off-of all amounts payable on the same day and in the same currency ("payment netting") thereby reducing our settlement risk. Depending on the business model applied by the CCP, this payment netting applies either to all of our derivatives cleared by the CCP or at least to those that form part of the same class of derivatives. Many CCP rules and regulations also provide for the termination, close-out and netting of all cleared transactions upon the CCP's default ("close-out netting"), which reduces our credit risk. In the risk measurement and risk assessment processes close-out netting is applied only to the extent it is believed that the relevant CCP's close-out netting provisions are legally valid and enforceable.

In order to reduce the credit risk resulting from OTC derivative transactions, where CCP clearing is not available, DB USA Corp. regularly seeks the execution of standard master agreements (such as master agreements for derivatives published by the International Swaps and Derivatives Association, Inc. (ISDA)) with its counterparts. A master agreement allows for the close-out netting of rights and obligations arising under derivative transactions that have been entered into under such a master agreement upon the counterparty's default, resulting in a single net claim owed by or to the counterparty. For certain parts of the derivatives business (i.e. foreign exchange transactions) DB USA Corp also enters into master agreements under which payment netting applies in respect to transactions covered by such master agreements, reducing settlement risk. In the risk measurement and risk assessment processes, close-out netting is applied only to the extent DB USA Corp is satisfied of the legal validity and enforceability of the master agreement in all relevant jurisdictions.

Also, DB USA Corp enters into credit support annexes ("CSA") to master agreements in order to further reduce derivatives-related credit risk. These annexes generally provide risk mitigation through periodic, margining of the covered exposure, which is usually daily. The CSAs also provide for the right to terminate the related derivative transactions upon the counterparty's failure to honor a margin call. As with netting, when it is believed the annex is enforceable, it is reflected in the exposure measurement.

Certain CSAs to master agreements provide for rating-based triggers, where additional collateral must be pledged if a party's rating is downgraded. DB USA Corp also enter into master agreements that provide for an additional termination event upon a party's rating downgrade. These downgrade provisions in CSAs and master agreements usually apply to both parties but in some agreements, may only apply to DB USA Corp. Potential contingent payment obligations resulting from a rating downgrade in the stress testing approach for liquidity risk are analysed and monitored on an ongoing basis.

Concentrations within Credit Risk Mitigation

Concentrations to credit risk mitigation providers may occur when a significant portion of guarantors and/or credit derivative providers are exposed to similar economic variables, or industry conditions impacting their ability to meet contractual obligations. Concentration risk management is one of the key elements of the portfolio management framework and credit risk appetite calibration process.

Market Risk Management

Market Risk Management (MRM) is part of DB USA Corp's independent Risk function and sits within the Market and Valuations Risk Management (MVRM) group. One of the primary objectives of MRM is to ensure that the business divisions' risk exposure is within the approved risk appetite commensurate with its defined strategy. To achieve this objective, MRM works closely together with risk takers ("the business divisions") and other control and support groups.

Market risk arises from the uncertainty concerning changes in market prices and rates (e.g., interest rates, equity prices, Foreign Exchange (FX) rates, and commodity prices), the correlations among them, and corresponding levels of volatility.

Americas MRM identifies, monitors and measures various types of market risk including:

- Interest rate risk;
- FX risk;
- Credit risk;
- Commodity risk;
- Equity risk; and,
- Cross asset risks.

DB USA Corp. encounters market risk by making markets and taking positions in debt, equity, foreign exchange, other securities and commodities; as well as in equivalent derivatives, whether in the trading book, banking book or off-balance sheet.

The Americas MRM framework is aligned with the DB USA Corp. structure, risk profile, complexity, activities and size and is consistent with DB Group's enterprise-wide risk management processes. The responsibilities of Americas MRM are supported by a dual reporting organizational structure, wherein the various US asset class heads have dual reporting lines into the Americas Head of MVRM, as well as into the corresponding global heads.

The Americas Head of MVRM has overall responsibility for market risk and valuation risk at DB USA Corp. and serves as the chairperson of the Americas MRM Risk Council. The Americas MRM Risk Council's mandate is to actively govern and monitor market risks at DB USA Corp. The Council serves as an advisor to the US MRC, the mandate of which is to support the management of the risk profile as well as the alignment of risk appetite and funding within DB USA. Valuation risk represents the risk of failing to independently verify front office mark-to-market prices and ensuring they are appropriate for fair valuation accounting purposes. This risk also includes capital implications to the firm as it pertains to prudent valuation.

Market Risk Identification

Consistent with DB Group's policies and principles, the management of market risk at the DB USA Corp. is underpinned by a robust, comprehensive, and rigorous Risk ID process to ensure that all relevant material market risks are identified, understood, and measured whether captured in the Trading Book or Banking Book. MRM identifies all relevant market risks in a comprehensive, detailed, and interconnected manner with appropriate supervision supporting both initial and ongoing discovery; covers all relevant risks, core and non-core; employs approved risk metrics and measurement approaches appropriate to each risk to quantify potential losses and employs stress testing and other supporting analysis and measures which capture portfolio-specific risks and strategies. Risks must be identified at least quarterly and added to the Risk Inventory as needed; the Top Risk Report and Weekly Portfolio Risk Pack are the primary sources for group level material market risks.

Market Risk Measurement

DB USA Corp aims to accurately measure all types of market risks by a comprehensive set of risk metrics embedding accounting, economic and regulatory considerations.

Market risks are measured by several internally developed key risk metrics and regulatory defined market risk approaches.

The portfolio risk tools utilized by MRM to measure market risk are:

- VaR, including SVaR and Contributory VaR;
- Greeks, including delta, gamma, vega, theta, CS01 and IR01; and
- Portfolio Stress Testing (PST).

The supplementary risk measures utilized by MRM to manage & identify market risk are:

- Market Value / Notional;
- Sensitivities; and
- Traded Default Risk (TDR).

DB USA Corp's market risk appetite is set taking into consideration the risk objectives of the legal entity, including:

- Controlling exposure to material concentrations and illiquid markets and products.
- Ensuring earnings stability and capital affordability of market risk losses, irrespective of regulatory capital treatment and accounting classification that may arise from idiosyncratic and systemic events, including outright basis and gap risks.
- Ensuring that the market risks taken are within DB's operational capacity to manage them effectively.

The MR limits framework is measured using VaR and portfolio stress testing and is aligned to risk appetite, earnings stability and capital adequacy. MRM calibrates the limits and transmits the limits and calibration criteria to the RiskCo for limit approval.

Market Risk Management and Mitigation

Through the use of the key market risk management metrics, Americas MRM continuously monitors risks at different levels of aggregation (e.g., country, index, issuer) to capture specific dynamics of portfolios under management. Limits may be, and in certain cases are required to be, set against one or more of these metrics. MRM sets, monitors and enforces such limits in accordance with the Limits Framework, cascading bank risk strategy and appetite into granular limits and, where appropriate, defining supplementary limits and thresholds to control portfolio-specific risks.

MRM has in place a comprehensive framework for the management of the market risks to ensure:

- Market risks are identified, assessed and managed;
- Appropriate calculation and analysis of impact of market risks on economic and regulatory capital;
- Independent assessment of business risk decisions and communication to stakeholders; and
- Independent oversight of the market risk management activities of the risk taking business.

Risk mitigation and control is achieved through the Market Risk Limits Framework which supports MRM's independent oversight of the risk taking functions and ensures that all risks taken are within the Risk Appetite and management mandated boundaries. The MRM limits framework defines the minimum standard of limits including: 1) Management Board defined limits; 2) the Framework of Business Line Limit Strategies to monitor and control the risks specific to individual business lines; 3) the Framework for monitoring limit utilization; and 4) the Framework for the review of limits. Limits may be, and in certain cases are required to be, set against any of the above MRM metrics. MRM may also introduce other limits, as appropriate, (e.g., aging or management action triggers, etc.).

Liquidity Risk Management

Liquidity risk is the risk arising from the potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. The objective of DB USA Corp.'s liquidity risk management framework is to ensure that DB USA Corp. can fulfill its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The framework considers relevant and significant drivers of liquidity risk, whether on-balance sheet or off-balance sheet.

Liquidity risk concentrations can be found along products, regions, currencies, tenors and clients, and may represent the potential inability to meet all payment obligations when due, or to only meet these obligations at excessive costs.

Treasury is mandated to manage the overall liquidity and funding position of the Bank, with Liquidity Risk Management (LRM) acting as an independent control function. LRM is responsible for reviewing the liquidity risk framework, proposing the risk appetite limits and stress test scenarios, and the conceptual review of Liquidity Risk models which are developed by Treasury, to measure and manage the liquidity risk profile.

Treasury manages liquidity and funding, in accordance with the Management Board-approved risk appetite across a range of relevant metrics and implements a number of tools to monitor these and ensure compliance. In addition, Treasury works closely with LRM and business divisions, to identify, analyze and understand underlying liquidity risk characteristics within business portfolios. These parties are engaged in regular dialogue regarding changes in the Bank's position arising from business activities and market circumstances. Dedicated business and key legal entity limits and thresholds exist to ensure DB operates within its overall liquidity and funding risk appetite.

LRM serves as a 2nd LoD and is accountable for overseeing and evaluating the effectiveness of the liquidity management activities performed by Treasury and 1st LoD. LRM serves as the 2nd LoD within the context of liquidity risk, and directly supports the Americas CRO in overseeing the liquidity risk management framework for the DB Americas region. At least annually, LRM reviews and evaluates the adequacy and effectiveness of DB's liquidity risk management processes including its liquidity processes and assumptions, assesses whether DB's operations comply with applicable laws, regulations, supervisory guidance, and sound business practices and report material issues to the RiskCo.

Liquidity Risk Monitoring

DB USA must comply with U.S. regulatory, and business driven liquidity requirements during both normal and stress scenarios (i.e. severe combined market and idiosyncratic liquidity stress event), while still maintaining a prudent net liquidity buffer and operating in a manner which preserves market confidence in the credit quality of DB. The liquidity and funding risk management framework ensures that DB USA can fulfill its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. LRM monitors and may restrict excessive concentrations from a liquidity and funding perspective.

LRM establishes and reviews the liquidity risk appetites for DB USA Corp. In addition, LRM proposes, sets and monitors related limits. Specifically, LRM reviews, at least annually, the liquidity risk limits of DB USA Corp. and proposes changes to liquidity risk limits to the applicable governance bodies for approval.

Several tools are used to measure and manage short and long-term liquidity risk:

1. **Ongoing liquidity and cash reporting / forecasting** is produced to project sources and uses of cash and liquidity. On a daily basis, Treasury will forecast expected changes in cash based on inputs from key businesses.
2. **Liquidity stress testing** analyses DB's ability to withstand predefined stress events under the condition that the net liquidity position should exceed the approved liquidity risk appetite. The sNLP is produced daily for DB USA Corp., and each key legal entity in the CUSO, with corresponding risk appetite limits (board limits).
3. **Legal entity thresholds** are used to monitor excessive concentration by product, counterparty and tenor.

Within DB USA Corp., Treasury utilizes a subset of the tools referenced above, tailored to the specific nature and needs of DB USA Corp. and its underlying entities and specified in the Liquidity Management Policy.

Treasury employs a range of tools and actions to mitigate liquidity risk:

- Maintaining a Liquidity Reserve that encompasses eligible and unencumbered cash and securities to ensure DB USA Corp. can access funds under stressed conditions;
- An internal transfer pricing framework to ensure that: (i) assets are priced in accordance with their underlying liquidity risk; (ii) liabilities are priced in accordance with their funding maturity; and (iii) contingent liquidity exposures are priced in accordance with the cost of providing for commensurate liquidity reserves to fund unexpected cash requirements;
- Issuance of debt instruments in accordance with the annual funding plan approved by the DB USA Corp. Board.
- Defined countermeasures, inclusive of asset monetization, that may be used in a time of stress to improve the liquidity and cash position.

The Liquidity Dashboard is a daily report used to monitor and manage liquidity comprising key metrics such as risk appetite limits, legal entity thresholds and Early Warning Indicators (EWIs).

Non-Financial Risk Management

Non-Financial Risks (NFR) comprise both Operational Risk and Reputational Risk and their sub-risk types. Operational Risk (OR) is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events.

OR / NFR operates in several different capacities within DB USA Corp. and its roles can be broadly segmented between a framework which includes governance and oversight as well as its responsibility as a risk type controller.

NFRM establishes and maintains the Operational Risk Framework at the Group and local levels. The Operational Risk Framework consists of five major building blocks:

1. Risk Identification
2. Risk Assessment
3. Risk Mitigation
4. Risk Monitoring
5. Risk Capital

These building blocks apply to all risk types covered by the Non-Financial Risk Type Taxonomy (NFRTT). The Operational Risk Framework supports the 1st LoD in the fulfilment of their obligations to proactively manage operational risks which originate in their organization. Additionally, NFRM monitors and challenges the implementation of the framework components and reviews overall risk levels against risk appetite.

Measurement and Monitoring

Risk Monitoring includes (a) Risk Appetite & Metrics, (b) Consequence Management.

The NFR Appetite Framework provides a common approach to establish, measure and monitor the level of operational risk appetite across DB, and ensures that breaches are highlighted for review and action, and provides a consistent risk measure that can then be used in the risk assessment and for capital allocation. The key elements of the NFR Appetite Framework are qualitative risk appetite statements that set the level of risk taking across DB at risk type level 2 of the NFRTT, quantitative risk appetite metrics and thresholds, risk appetite reporting and breach management. In line with the NFR Appetite Framework, NFR identifies Key Risk Indicators (KRIs) to monitor risk levels and the utilization of risk appetite. KRIs act as a warning signal, indicating a potential shift in the business environment.

NFRM use a number of mechanisms to measure and monitor the level of NFR.

Internal / External Events: NFRM identifies, collects, categorizes, and reports on internal and external loss events and near misses attributable to control failures in the global emApp system. NFRM also works with business and infrastructure functions to perform Lessons Learned and Read Across reviews to identify means to strengthen the control environment in light of prior incidents.

Risk & Control Assessment (RCA): An ongoing process in which the business proactively identifies and analyzes relevant non-financial risks and assesses the effectiveness of the controls to mitigate those risks. Quarterly RCA snapshot is presented to a number of governance forums in the region: ANFRC, MRC and RiskCo. Scenarios are developed as the output of RCA to complement the representative Non-Financial Risk coverage for inclusion in capital planning.

Transformation Risk Assessments: An ongoing process in which DB assesses and manages the non-financial risks associated with material change initiatives / programs.

New Product Approval: Risk Management has implemented a product governance framework with clear responsibilities allocated to manage the risks associated with the introduction of new products and changes to existing products. Proposals to launch new businesses or new products, services, businesses, and markets, as well as a material transfer of a business from one Business Division to another or transfer of business activities from one Entity or Branch to another must be reviewed & approved in accordance with the Product Lifecycle Policy and Structured Transaction Lifecycle Policy as applicable, and may be required for changes to existing products, services, businesses and markets. The approval process involves review & sign-off by the various control functions and senior business management. The NPA / NTA process aims to ensure that: (i) the Bank is operationally ready to commence new products / services; (ii) new products / services adhere to internal policies & standards as well as regulatory requirements; & (iii) residual risks (financial and non-financial) are known & controlled.

Reputational Risk

The brand and reputation of DB USA Corp. is founded on trust from its employees, clients, shareholders, regulators and from the public in general. It is the responsibility of every employee within DB USA Corp., and of the utmost importance, to prevent isolated events from undermining that trust and negatively impacting DB USA Corp.'s brand and reputation.

DB USA Corp. seeks to minimize its exposure to reputational risk as reputational risk cannot be precluded and is driven in part by unforeseeable changes in perception of processes by various stakeholders (e.g., public / clients, shareholders, regulators etc.) DB USA Corp. strives to promote sustainable standards that will enhance profitability and minimize the risk that any association, action, or inaction is perceived by stakeholders to be inappropriate, unethical or, inconsistent with DB USA Corp.'s values and beliefs.

The Reputational Risk Framework (the Framework) ensures that upfront, active assessment / decision-taking is applied on matters which may pose a reputational risk, prior to becoming committed from a legal or client relationship standpoint, in order to prevent damage to Deutsche Bank's reputation wherever possible. The Framework details mechanisms for the identification, assessment, and management of reputational risk issues. Reputational damage which may arise as a consequence of a failure from another risk type, control or process is addressed separately via the associated risk type framework.

Governance and Organizational Structure

The governance of NFR is achieved through a hierarchy of governance bodies across all 3 LoD functions including business divisions and infrastructure functions. NFRM, as 2nd LoD risk type owner is also responsible for independently monitoring the adherence to minimum control standards as well as taking a holistic view of the risk types across the organization to provide thematic assessments and identify potential emerging risks.

The DB USA Corp. NFRM Framework leverages global frameworks defined at the Group level and integrates required enhancements to support regional needs. The NFRM Framework is implemented and executed as part of business as usual risk management, to actively manage risks and to inform capital planning.

NFRM Business Coverage teams have a mandate to actively engage with business divisions and infrastructure functions to enable effective risk management. NFRM plays an active role in coordinating and facilitating the management of open issues, supporting businesses in completing RCAs as well as providing independent review and challenge throughout the RCA cycle. NFRM coverage teams have a mandate to actively engage with business divisions and infrastructure functions to enable effective risk management. NFRM plays an active role in identification, monitoring and management of material NFRs in support of their business. NFRM coverage teams provide independent review and challenge throughout the assessment cycle; support the business in monitoring risk appetite and coordinate/facilitate lessons learned and thematic reviews for significant events (loss or near miss) in the region.

NFRM Execution team develops, enhances and oversees playbook and runbook for the quarterly Risk Control Assessment process and coordinates annual refresh of Risk Appetite Statements in alignment with Group Framework. NFRM CCAR team is responsible to establish and oversee the Operational Risk Loss Projection for the Risk Capital process.

NFRM RTC team sets risk appetite, maintains control standards and ensures continuous improvement across business and infrastructure divisions for Third Party, Information Technology, Information Security, Data & Records, Transaction Processing and Business Continuity risks. NFRM Operational Resilience team ensures effective management of Business Disruption Risk.

NFRM Governance and Reporting team supports NFR reporting requirements across Americas forums to provide management with a comprehensive view of the NFR profile for material legal entities.

The Head of NFRM Americas is responsible for supporting the 1st LoD in improving risk management over non-financial risks, strengthening controls, in support of profitable growth in the region within risk appetite. The Head of the NFRM Americas provides independent assessment and effective challenge of risks and controls, policies, standards, remediation strategies, control frameworks, and governance.

Model Risk Management

Model Risk Management structure and organization

Model Risk is managed in alignment with the three lines of defense structure set forth in the Risk Management Policy:

- 1st LoD refers to roles in DB that own and manage model risk directly (such as, Owners/Developers/Senior Model Users/Implementers/etc.), including those in Infrastructure functions.
- 2nd LoD function covering model risk is Model Risk Management (MoRM). The Global Head of MoRM is part of the bank's Risk Division and reports up into the Global Chief Risk Officer. The Head of MoRM Americas is part of the bank's Risk Division and functionally reports up into the Global Head of MoRM with a dotted line to the Americas Chief Risk Officer.
- 3rd LoD is comprised of Group Audit – responsible for overseeing the activities of both the 1st LoD and 2nd LoD.

MoRM, as 2nd LoD, fulfils all the responsibilities of a risk type control function, including:

- Defining and regularly updating the model risk framework by setting minimum risk management and/or control standards to support the bank's compliance with all applicable material rules and regulations.
- Independently assessing the 1st LoD implementation of, and adherence to, the framework and reporting an overall assessment of the bank's risk profile
- Acting as an advisor to the 1st LoD on how to identify, assess and manage risks and implement the framework and
- Monitoring 1st LoD adherence to the defined risk appetite, including escalating confirmed breaches and recommending matters for potential consequence management, whether at a divisional or an individual-level in line with the Model Risk Consequence Management Framework.

MoRM is also responsible for the approval of the use of models and non-model estimates within the bank. This includes initial and ongoing validation. 2nd LoD functions outside of Model Risk Management are required to have a sufficient level of independence and expertise, and to apply MoRM standards and templates.

Scope and nature of model risk measurement and reporting systems

Model risk governance and monitoring is facilitated through a combination of 1st LoD and 2nd LoD individuals supported by Model Risk Councils and forums and a small number of senior committees escalating into the Supervisory Board – Risk Committee, to support management of model risk for individual models and non-model estimates, and in the aggregate. The US Model Risk Council (US MRMC) has a holistic oversight over model risk in the CUSO with escalation lines to the US Management Risk Council (US MRC) and the DB USA Risk Committee of the Board of Directors (RiskCo).

Model Inventories owned by MoRM are the repository for sources of model risk across the firm and provide the basis for the reporting of model risk.

MoRM provides (at least) quarterly updates on model risk topics to four divisional/regional Model Risk Councils, escalating into the Group Model Risk Council, as well as providing updates to certain DB AG Branches (London and New York), the Group Risk Committee and stand-alone model risk sections in the risk and capital profile. The risk and capital profile is distributed monthly to the Management Board and quarterly to the Supervisory Board. Additionally, the US MRMC provides monthly updates to the US MRC and at least quarterly updates to the RiskCo.

Model risk profiles are produced by MoRM, to enable the monitoring, reporting and governance of model risk. Model risk profiles include:

- Current and emerging model risks and adherence to risk limits and risk concentrations
- Key information to effectively monitor model risk and identify potential areas of concern, such as: Risk Appetite Metric results, remediation and mitigating actions and target dates, and residual model risk
- Individual metrics showing risk appetite results for that reporting period, including remediation plans, compensating controls and ‘paths to green/amber’
- Status of remediation of material problems; appropriate and timely responses to identified problems, with current and forward-looking perspectives
- Reporting on overdue validation findings and the individuals responsible
- Model Risk Consequence Management Framework report

Policies for hedging and mitigating model risk

Model Risk is hedged and mitigated at a model/ non-model estimate level, through appropriate actions independently verified as proportionate. These may be built into the model/ non-model estimate by the 1st LoD, as part of development, or subsequently identified as part of the initial validation process or subsequent monitoring processes.

As part of independent validation, the 2nd LoD may identify the need for temporary or permanent mitigants prior to permitting the use of a model/ non-model estimate. These mitigants may take the form of adjustments to the output, the allocation of a reserve/buffer, limitations or restrictions on the use of a model/ non-model estimate, additional monitoring and/or restrictions or amendments to inputs and/or parameters.

These mitigants, are tracked and monitored as part of periodic reviews. Reassessments may also be triggered by significant changes to the model/ non-model estimate or its materiality, or potentially through the resolution of related weaknesses in the model/ non-model estimate.

Compliance Risk Management

Compliance risk is the risk of incurring criminal or administrative sanctions, financial loss or damage to DB USA Corp.'s reputation as a result of failing to comply with laws, regulations, rules, expectations of regulators, the standards of self-regulatory organizations, codes of conduct / ethics in connections with the Bank's regulated activities. Compliance is the Risk Type Controller for the following risk types: Client Focused and Market Focused Activities.

Compliance Risk Monitoring

Compliance, as an independent 2nd LoD control function, establishes an overarching US Compliance Framework and overseeing the coordination of 1st LoD and 2nd LoD efforts to manage compliance risk. Compliance's 2nd LoD roles include:

- Regulatory engagement and management collaboration with Regulatory Affairs
- Providing review and challenge to the 1st LoDs and 2nd LoDs regarding their compliance risk management responsibilities, including operating in an ethical and lawful manner and safeguarding DB's integrity and reputation, and regarding existing and emerging Rules, and Findings pertaining to compliance risks.
- Providing training and education to all LoDs regarding Compliance risks and coordinating related training provided by all other LoDs.
- Identifying, assessing, testing, and monitoring existence and effectiveness of Level 1 controls to manage compliance risk and monitoring remediation of identified issues.
- Developing a risk appetite with respect to Compliance areas of coverage for DB USA Corp., which is approved by senior management.
- Making recommendations to senior management and applicable governance bodies regarding the conformance with Compliance Risk Appetite.
- Providing Compliance oversight to the 1st LoD and 2nd LoD units' design and implementation of processes and controls required by the Compliance Framework across DB USA Corp.
- Promoting and facilitating, in partnership with the business, a culture of integrity and compliance.

Anti-Financial Crime Risk Management

Anti-Financial Crime (AFC) risk is the risk of incurring criminal or administrative sanctions, material financial loss or damage to DB USA Corp.'s reputation as a result of failure to comply with laws, regulations, rules, self-regulatory organizational standards, codes of conduct / ethics and standards of practices as they pertain to Anti-Money Laundering, Sanctions, Fraud and Anti-Bribery & Corruption.

AFC, as a second LoD control function, establishes an overarching framework of controls designed to manage financial crimes-related risk throughout DB USA Corp. AFC operates as an independent control function within the Bank to perform such second LoD tasks as:

- Maintaining an effective risk management framework that includes setting and monitoring relevant control standards.
- Defining the risk management framework and processes to mitigate financial crime risk; and
- Establishing an AFC specific governance process designed to facilitate management of financial crimes risk.

Risk and Capital Performance

Variance Commentary

The December 2023 On-balance Sheet Exposures increased $10.5 billion and Off-balance sheet decreased $0.9 billion as compared with December 2022 with corresponding impact on RWA decreased $1.5 billion.

Regulatory Capital:

– Regulatory Capital of $13.1 billion remains relatively unchanged as compared to Q4 2022. The Common Equity Tier 1 Capital Ratio for December 2023 is 27.80%, up 166 bps from December 2022.

On–Balance Sheet Exposures (increased $10.5 billion to $113.6 billion):

- $11.4 billion increase in securities financing transactions due to an increase in reverse repos balances of $15.6 billion driven by higher gross balances ($31.8 billion) offset by an increase in netting ($16.2 billion). This was offset by a decrease in bond borrow balances of $4.2 billion within the Investment Bank.
- $2.2 billion increase in loans largely due to new trade finance loans within the Corporate Bank ($0.6 billion), and several new Other Loans in the Private Bank and other Business Divisions ($1.6 billion).
- Offset by $(2.7) billion decrease in cash and balances due from depository institutions is largely driven by a reduction in cash held at the Federal Reserve Bank of New York due to lower deposits.

Off–Balance Sheet Exposures (decreased $0.9 billion to $26.5 billion):

- $0.9 billion decrease in Repo style transactions largely due to the lower bond borrow balance sheet of $4.2 billion.

RWA (decreased $1.5 billion to $37.3 billion):

- $2.6 billion decrease in Standardized Market RWA is largely due to the addition of interest rate hedges and lower non-securitized debt exposures driven by the Investment Bank.
- $0.5 billion due to the decrease in off-balance sheet exposures
- Offset by $1.6 billion due to the increase in on-balance sheet exposures largely driven by the higher loan balances.

Supplementary Leverage Ratio:

DB USA Corp’s SLR decreased 0.4702% to 9.0085% as of December 31, 2023 compared with December 31, 2022. The decrease was partially due to the increase in leverage exposure ($4.3 billion) driven by higher repo style transactions, and partially due to lower tier 1 capital ($0.3 billion) following the repurchase of preferred shares.

Liquidity Coverage Ratio:

The Firm’s average LCR for twelve months ended December 31, 2023 was 151% which represents an average LCR position well above the required minimum. In comparison to the average LCR of 141% for the year ended December 30, 2022, this represents an increase of 10 percentage points. This change was primarily driven by a $1.9 billion decrease in unsecured wholesale funding outflows, largely from non-operational deposits.

Net Stable Funding Ratio:

The Firm’s average NSFR for twelve months ended December 31, 2023 was 136% which was down 10 percentage points on September 30, 2023. This reduction was largely due to lower available stable funding (ASF) ($1.8 billion) mainly due to reduced wholesale funding.

Regulatory Capital

The calculation of DB USA Corp's regulatory capital is pursuant to the US Basel 3 capital rules and includes applicable deductions and filters. The information in this section is based on the regulatory principles of consolidation.

Pursuant to the effective regulations on its formation date of July 1, 2016, DB USA Corp's regulatory capital comprises Tier 1 (T1) and Tier 2 (T2) capital. Tier 1 capital is subdivided into Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital.

CET1 is comprised of the common stock issued by DB USA Corp, related surplus and retained earnings. AT1 capital is comprised of Class A and Class B Preferred Stock issued by DB USA Corp; there are no Tier 2 instruments issued by DB USA Corp. The terms of the common stock within CET1 provide for the normal payment of dividends if and when declared.

The AT1 preferred stock is voting, non-cumulative, perpetual, has no maturity date and will not be subject to redemption at the option of DB USA Corp or the holders of the preferred stock. Additionally, the preferred stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Class B ranks pari passu with Class A shares. The preferred stock has a preference over the common stock in the event of liquidation and qualifies as Tier 1 capital in accordance with regulatory capital requirements. DB USA Corp. has outstanding Class A and Class B series preferred stock issued with fixed dividend coupon rates of 8.28% and 5.31%, respectively. This fixed rate dividend is subject to discretionary cancelation, which results in a dividend stopper in respect of common stock. The decision whether a distribution can be made is subject to the DB USA Corp Board declaring a distribution and receiving regulatory approvals. Beginning on September 23, 2026, the preferred stock may be converted, in whole or in part, at the option of the holder thereof into shares of common stock, at the rate of one share of common stock per each share of preferred stock.

During 2023, DB USA paid dividends in the amount of $229 million on the Class A and Class B series preferred stock and $73 million on the common stock.

Minimum capital requirements and additional capital buffers

The CET1 minimum, T1 minimum, and Total capital minimum requirements applicable to DB USA Corp are 4.5%, 6.0%, and 8.0% of RWA respectively.

Failure to meet minimum capital requirements can result in supervisory measures such as restrictions of profit distributions or limitations on certain businesses such as lending. DB USA Corp complied with the regulatory capital adequacy requirements in 2023.

In addition to these minimum capital requirements, the capital conservation buffer (CCB) establishes capital buffer percentages above regulatory minimums, which must be maintained in order to avoid restrictions on capital distributions and executive compensation. The CCB is fixed at 2.5% above minimum capital requirements. It is composed of CET1 Capital to be maintained above the minimum capital ratios, and is applicable to DB USA Corp.

In accordance with the Federal Reserve Bank Tailoring Rules, DB USA meets the definition of a Category III IHC. As a Category III IHC banking organization, DB USA Corp may be required to meet the countercyclical capital buffer (CCyB) if deemed applicable by the Federal Reserve Board (FRB). The CCyB is a macroprudential tool that can be used to increase the resilience of the financial system by raising capital requirements on internationally active banking organizations when there is an elevated risk of above-normal future losses and when the banking organizations for which capital requirements would be raised by the buffer are exposed to or are contributing to this elevated risk--either directly or indirectly. The CCyB could also help moderate fluctuations in the supply of credit. The CCyB is designed to be released when economic conditions deteriorate, in order to support lending and economic activity more broadly.

For 2023, the FRB affirmed the CCyB at the current level of 0%. In making this determination, the FRB followed the framework detailed in the FRB Board's policy statement for setting the CCyB for private-sector credit exposures located in the U.S. Any decisions by the FRB Board to increase the CCyB amount will generally be effective 12 months from the date of announcement with a cap at 2.5% of RWA.

Regulatory capital, RWA and capital ratios according to US Basel 3 Capital Rules

in USD m.	31-Dec-22 US Basel 3	31-Dec-23 US Basel 3
Common Stock plus retained surplus, net of unearned employee stock ownership plan (ESOP) shares	23,606	23,581
Retained Earnings	(13,097)	(12,850)
Accumulated Other Comprehensive Income (AOCI) based on transition rules	(248)	(219)
Common Equity Tier 1 Capital, before adjustments and deductions	10,261	10,512
Common Equity Tier 1 Capital: Adjustments and Deductions		
Less: Goodwill net of associated deferred tax liabilities (DTLs)	(50)	(50)
Less: Intangible Assets, net of associated DTL's	(57)	(58)
Less: Deferred Tax Assets (DTLs) that arise from net operating losses and tax credit carryforwards, net of valuation allowances	0	27
Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	(107)	(135)
Common Equity Tier 1 Capital	10,154	10,377
Additional Tier 1 (AT1) Capital		
Additional Tier 1 Capital instruments plus related surplus	3,205	2,705
Additional Tier 1 (AT1) Capital before adjustments	3,205	2,705
Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital	0	0
Additional Tier 1 (AT1) Capital	3,205	2,705
Tier 1 Capital (T1 = CET1 + AT1)	13,359	13,082
Tier 2 (T2) Capital		
Tier 2 Capital instruments plus related surplus	0	0
Allowance for loan and lease losses includable in Tier 2 capital	18	19
Tier 2 (T2) Capital before adjustments	18	19
Total Regulatory Adjustments to Tier 2 (T2) Capital	0	0
Tier 2 (T2) Capital	18	19
Total Regulatory Capital	13,377	13,101
Ratios		
Common Equity Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	26.14%	27.80%
Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	34.39%	35.04%
Total Capital Ratio (as a percentage of risk-weighted assets)	34.44%	35.09%
Capital Conservation Buffer	21.64%	23.30%
Leverage Ratio (as a percentage of average total consolidated assets)	10.41%	9.99%
Supplementary Leverage Ratio	9.48%	9.01%

Reconciliation of Financial and Regulatory Balance Sheet

DB USA Corp's consolidated and combined financial statements have been prepared in accordance with US GAAP, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the consolidated and combined financial statements.

The consolidated and combined financial statements of the DB USA Corp include all entities in which DB USA Corp has a controlling financial interest. DB USA Corp consolidates entities in which it has a majority voting interest when the voting interest entity is controlled through substantive voting equity interests and the equity investors bear the residual economic risks of the entity. DB USA Corp also consolidates variable interest entities (VIEs) for which DB USA Corp is deemed to be the primary beneficiary in accordance with Accounting Standards Codification (ASC) Topic 810, Consolidation. All material intercompany transactions and balances have been eliminated in consolidation. In the normal course of business, DB USA Corp's operations may include significant transactions conducted with affiliated entities. Such transactions are governed by contractual agreements between DB USA Corp and its affiliates.

DB USA Corp prepares US GAAP financial statements for both financial and regulatory reporting purposes. In certain instances, regulatory reporting instructions and guidance require that certain assets or liabilities be reported in line items that vary from those used for financial reporting purposes. In other cases, the regulatory reporting format may differ from that used for financial reporting purposes – regulatory reporting formats tend to be much more grandular. In either case, when comparing the fiancial and regulatory financial statements on a line item basis there may be differences between various line items that arise from these differing requirements and reporting formats.

In the case of DB USA Corp, the balance sheet assets, liabilities and stockholder's equity line items used in this report are those represented in the FR Y-9C report as reported by DB USA Corp as of December 31, 2023. Below is a reconciliation of the balance sheet as reported in the FR Y-9C and that which is reported in the non-public audited financial statements.

	31-Dec-23				
		Presentation Differences			
in USD m.	Financial Balance Sheet	Non-Trading Equity Securities	Non-Trading Interest Rate Swaps	Total	Regulatory Balance Sheet
Assets					
Cash and cash equivalents	14,214	-	-	-	14,214
Securities: Available for Sale	538	8	-	8	546
Collateralized agreements and financings	54,452	-	-	-	54,452
Loans, net of allowance for loan losses	16,424	-	-	-	16,424
Financial instruments owned, at fair value	17,073	(65)	(388)	(453)	16,620
Other assets	10,896	57	388	444	11,340
Total assets	113,597	-	-	-	113,597
Liabilities and Stockholders' Equity					
Deposits	23,101	-	-	-	23,101
Collateralized agreements and financing:	39,593	-	-	-	39,593
Financial instruments sold, but not yet purchased, at fair value	8,141	-	(457)	(457)	7,684
Borrowings	14,134	-	-	-	14,134
Other liabilities	15,408	-	457	457	15,865
Total liabilities	100,377	-	-	-	100,377
Stockholders' Equity					
Preferred stock	2,705	-	-	-	2,705
Common stock, par value $1.00 per share. 2,000 shares	0	-	-	-	0
Additional paid-in capital	23,581	-	-	-	23,581
Accumulated deficit	(12,850)	-	-	-	(12,850)
Accumulated other comprehensive income (loss)	(219)	-	-	-	(219)
Minority Interest	3	-	-	-	3
Total stockholders' Equity	13,220	-	-	-	13,220
Total liabilities and stockholder's equity	113,597	-	-	-	113,597

Figures may include rounding differences.

The presentation differences noted in the above reconciliation are primarily due to:

- Non-Trading Equity Securities: under revised US GAAP guidance, ASU 2016-01 effective January 2018, equity investments previously reported as available for sale must be measured at Fair Value with changes reflected through net income. Equity securities at Fair Value are considered Financial Instruments Owned at Fair Value for US GAAP financial reporting purposes. Money market funds are short-term, liquid investments and are therefore reported as Cash Equivalents on the US GAAP Financial Statements. The FR Y-9C does not have the same disclosure requirements and as a result, there is a presentation difference between the two statements of financial condition.
- Non-Trading Interest Rate Swaps: Pursuant to the AICPA Audit and Accounting Guide for Brokers and Dealers, all derivative positions are considered financial instruments and are presented in the Financial Instruments Owned/Sold captions. The FR Y-9C does not have the same disclosure requirements and as a result, there is a presentation difference between the two statements of financial condition.

Exposures and Risk-weighted Assets

DB USA Corp RWA are calculated based on the US Basel 3 Standardized Approach capital rules.

For banks calculating RWA under the Standardized Approach, general risk weights are applied for each type of exposure to determine the credit risk RWA amount. Banks are required to calculate exposures amounts for all on-balance sheet exposures, over-the-counter transactions, off-balance sheet commitment trade related contingency, guarantees, repo-style transactions, standby letters of credit, forward agreements and other similar transactions.

These exposure amounts are then multiplied by the supervisory risk weight appropriate to the exposure, based on the exposure type and the counterparty, eligible guarantor or financial collateral. Some of the risk weights applicable to DB USA Corp include:

Exposure Type	Basel III Standardized Approach Risk Weight
Cash	0% risk w eight
Exposures to, and portions of exposures that are directly and unconditionally guaranteed by, the US government, its agencies and the Federal Reserve, including deposits guaranteed by the FDIC and National Credit Union Administration	0% risk w eight
Portions of exposures that are conditionally guaranteed by the US government, its agencies and the Federal Reserve, including depsosits partially guaranteed by the FDIC and National Credit Union Administration	20% risk w eight
Exposures to foreign governments and their central banks - risk w eights range from 0% to 100% based on OECD Country Risk Classification (CRC); defaulted exposures are subject to 150% risk w eight.	risk w eights range from 0% to 100% based on OECD Country Risk Classification (CRC); defaulted exposures are subject to 150% risk w eight
Exposures to certain supranational entities and multilateral development banks	0% risk w eight
Exposures to US government sponsored entities	20% risk w eight
Exposures to US public sector entities, including states and municipalities	20% risk w eight for general obligations; 50% for revenue obligations
Exposures to foreign public sector entities	risk w eights range from 20% to 100% depending on the type of obligation and the home country's CRC; defaulted exposures are subject to 150% risk w eight.
Exposures to US depository institutions and credit unions	20% risk w eight.
Exposures to foreign banks	risk w eights range from 0% to 150% based on OECD CRC; defaulted exposures are subject to 150% risk w eight
Exposures to qualifying securities firms	100% risk w eight
Corporate exposures	100% risk w eight
Retail exposures	100% risk w eight
Residential mortgage exposures	50% risk w eight for qualifying first-lien mortgages; 100% for all other
High-volatility commercial real estate (HVCRE) loans	150% risk w eight
Past due exposures	150% risk w eight
Collateralized transactions, including derivatives and secured financing transactions	risk w eights vary depending on collateral approach - Simple Approach (generally a 20% floor) or Collateral Haircut Approach
OTC Derivatives	risk w eights vary depending on type of contract, counterparty, collateral and netting eligibility; exposure calculated using the Counterparty Exposure Method (CEM)
Cleared transactions	risk w eight is either 2% or 4% of trade exposure to qualified central clearing counterparties
Equity exposures	risk w eights range from 0% to 600% depending on type of equity exposure
Unsettled transactions	risk w eights range from 100% to 1,250% depending on number of days outstanding after settlement date
Commitments and Letters of Credit	risk w eights range from 0% to 100% depending on the counterparty

The information in the schedule below presents DB USA Corp distribution of RWA by exposure categories as reported in DB USA Corp's FR Y-9C, Schedule HC-R Regulatory Capital for the period ended December 31, 2023. Average RWA is calculated by reference to the four quarters ended December 31, 2023.

Operational Risk RWA is not applicable for banks calculating RWA under the US Basel 3 Standardized Approach.

Market Risk RWA is only applicable to banks that are subject to the Market Risk Final Rule. This rule applies to US banking organizations that have significant trading activity ("Market Risk Banking Organizations"). US Market Risk Banking Organizations have aggregated trading assets and liabilities of at least $1 billion or 10% of total assets. DB USA Corp does meet the definition of a Market Risk Banking Organization and therefore is subject to the Market Risk RWA.

Basel 3 Standardized Approach Risk-weighted Assets by Exposure Class

in USD m. For the year ended	31-Dec-22	31-Dec-23	
	At the end of the period	At the end of the period	Average over the period
On-balance Sheet Exposures	RWA	RWA	RWA
Cash and balances due from depository institutions	185	109	153
Securities: Available for Sale	72	25	39
Securities Purchased under agreements to Resell	0	0	0
Loans: Held for Sale	0	0	0
Loans: Residential mortgage exposures	1,290	1,263	1,264
Loans: High volatility commercial real estate exposures	0	0	0
Loans: Exposures past due 90 days or more or on nonaccrual	2	0	0
Loans: All other exposures	11,867	13,892	13,084
Loans: Allowance for Loan Loss	0	0	0
Trading Assets	205	220	224
All Other Assets	6,200	5,762	6,226
Securitization Exposures: Trading Assets	384	568	381
Total On-balance Sheet Exposures	**20,205**	**21,839**	**21,370**
Off-balance Sheet Exposures	RWA	RWA	
Financial standby letters of credit	458	320	330
Performance standby letters of credit	25	52	39
Commercial and similar letters of credit	0	0	0
Repo style transactions	6,062	5,869	5,804
Unused commitments: 1 year or less	5	13	5
Unused commitments: exceeding 1 year	983	763	916
Over-the-counter derivatives	143	213	266
Centrally Cleared derivatives	17	20	26
Unsettled Transactions	58	6	15
Total Off-balance Sheet Exposures	**7,751**	**7,256**	**7,400**
Total Risk Weighted Assets, excluding Market Risk	**27,956**	**29,095**	**28,770**
Standardized Market Risk Weighted Assets	**10,885**	**8,238**	**7,835**
Total Risk Weighted Assets	**38,841**	**37,333**	**36,604**

in USD m.	For the quarter ended				For the year ended
US Basel 3 Standardized Approach	**31-Mar-23**	**30-Jun-23**	**30-Sep-23**	**31-Dec-23**	**31-Dec-23**
On-balance Sheet Exposures	At the end of the period	At the end of the period	At the end of the period	At the end of the period	Average over the period
Cash and balances due from depository institutions	13,561	13,624	14,144	14,214	13,886
Securities: Available for Sale	990	819	545	546	725
Securities Purchased under agreements to Resell	65,327	48,307	47,667	54,452	53,938
Loans: Held for Sale	0	0	0	0	0
Loans: Residential mortgage exposures	2,423	2,404	2,428	2,418	2,418
Loans: High volatility commercial real estate exposures	0	0	0	0	0
Loans: Exposures past due 90 days or more or on nonaccrual	0	0	0	0	0
Loans: All other exposures	12,410	12,794	13,169	14,023	13,099
Loans: Allowance for Loan Loss	(16)	(18)	(15)	(16)	(16)
Trading Assets	20,780	17,586	19,021	15,570	18,239
All Other Assets: All Other	11,334	11,773	12,162	11,340	11,652
Securitization Exposures: Trading Assets	1,196	1,208	1,214	1,050	1,167
Total On-balance Sheet Exposures	**128,005**	**108,497**	**110,335**	**113,597**	**115,109**
Off-balance Sheet Exposures (Face, Notional or Other Amount)					
Financial standby letters of credit	428	369	366	346	377
Performance standby letters of credit	54	56	102	104	79
Commercial and similar letters of credit	0	0	0	0	0
Repo style transactions	24,127	19,120	19,514	22,403	21,291
Unused commitments: 1 year of less	25	0	5	65	24
Unused commitments: exceeding 1 year	2,648	2,276	2,186	1,948	2,265
Over-the-counter derivatives	1,106	1,311	663	642	931
Centrally Cleared derivatives	1,279	1,636	1,339	995	1,312
Unsettled Transactions	45	28	36	35	36
Total Off-balance Sheet Exposures	**29,712**	**24,796**	**24,211**	**26,538**	**26,314**

Credit Risk Exposure

Credit risk exposures are calculated using the US Basel 3 Standardized Approaches capital rules. These exposures represent on-balance sheet and off-balance sheet exposures of DB USA Corp on a consolidated basis.

For on-balance sheet exposures, the table below provides the exposure amount as reported on the balance sheet as well as the amount that is subject to RWA calculations. For purposes of RWA calculations, on-balance sheet assets are generally measured at their fair value amounts, except for Secured Financing Transactions (SFT) (i.e. repurchase agreements), which are measured net of collateral.

Off-balance sheet exposures are generally converted to a Credit Equivalent Amount by multiplying the exposure or notional amount by a supervisory credit conversion factor. Below is a summary of some of the conversion factors used in calculating DB USA Corp RWA's.

Credit risk includes counterparty risk which relates to contracts with a counterparty such as in securities financing transactions (SFT) and derivatives, and the risk that the counterparty fails or defaults on the amount owed on such contracts when payment is due.

Calculating the Credit-equivalent amount of derivative contracts subject to bilateral netting agreements

The credit-equivalent amount of contracts that are subject to a bilateral netting agreement is calculated by adding (i) the Net Current Exposure of the derivative contract, and (ii) the sum of the estimates of Gross Potential Future Credit Exposures on all individual contracts subject to a bilateral netting agreement, adjusted to reflect the effects of the bilateral netting agreement.

The Net Current Exposure is the sum of all positive and all negative mark-to-market (MTM) values of the individual derivative contracts subject to the bilateral netting agreement. If the net sum of the MTM values is positive, then the Net Current Exposure is equal to that sum. If the net sum of the MTM values is zero or negative, then the Net Current Exposure is zero.

Gross Potential Future Credit Exposure, or A_{gross} is calculated by summing the estimates of Gross Potential Future Credit Exposure for each individual contract subject to the bilateral netting agreement, then adjusting it to reflect the effects of the bilateral netting agreement.

The effects of the bilateral netting agreement on Gross Potential Future Credit Exposure are recognized through the application of a formula that results in an adjusted add-on amount (A_{net}). The formula, which employs the ratio of Net Current Exposure to Gross Current Exposure (NGR), is expressed as:

$$A_{net} = (0.4 \times A_{gross}) + 0.6\ (NGR \times A_{gross})$$

Contracts not subject to bilateral netting agreements

The credit equivalent amount of a derivative contract not subject to a bilateral netting agreement is equal to the sum of (i) the Current Exposure of the derivative contract; and (ii) the Potential Future Credit Exposure of the derivative contract.

The Current Exposure, also referred to as the Positive Replacement Cost, is determined by the MTM value of the derivative contract. If the MTM is positive, then the Current Exposure is equal to the MTM of the derivative contract. If the MTM is zero or negative, then the Current Exposure is zero. The MTM of the derivative contract is not measured on a netted basis where there is an absence of a bilateral netting agreement but rather evaluated on an individual contract-by-contract basis.

The Potential Future Credit Exposure of a derivative contract, including those derivative contracts with a zero or negative MTM, is estimated by multiplying the notional amount of the derivative contract by a Credit-conversion Factor.

The Credit conversion Factors are as follows (rates are in percentages):

Remaining Maturity	Interest Rate Products	Exchange Rate and Gold Products	Credit (investment grade reference asset)	Credit (noninvestment grade reference asset)	Equity Products	Precious metals (except gold)	Other
One year or less	0.0	1.0	5.0	10.0	6.0	7.0	10.0
Over one year to five years	0.5	5.0	5.0	10.0	8.0	7.0	12.0
Over five years	1.5	7.5	5.0	10.0	10.0	8.0	15.0

Off-balance sheet items conversion factors

Exposure Type	Basel III Standardized Approach Conversion Factor
Unused portion of a commitment that is unconditionally cancellable by the banking organization	0% conversion factor
Amount of a commitment with an original maturity of one year or less that is not unconditionally cancellable by the banking organization	20% conversion factor
Self-liquidating trade-related contingent items, with an original maturity of one year or less	20% conversion factor
Amount of a commitment with an original maturity of more than one year that is not unconditionally cancellable by the banking organization	50% conversion factor
Transaction-related contingent items (performance bonds, bid bonds, warranties, and standby letters of credit)	50% conversion factor
Guarantees, repurchase agreements, securities lending and borrowing transactions, credit-enhancing representations and warranties that are not securitization exposures, financial standby letters of credit and forward agreements	100% conversion factor

Gross Exposure by Asset Class and Geographical Region

in USD m. — 31-Dec-23

On-balance Sheet Exposures	North America	Europe	Latin America	Caribbean	Asia	Other Countries	Amount Subject to RWA
Cash and balances due from depository institutions	14,138	58	0	0	18	0	14,214
Securities: Available for Sale	546	0	0	0	0	0	546
Loans	14,744	180	739	510	268	0	16,441
Trading Assets	1,073	2	0	19	0	4	1,098
Other Assets	3,187	804	5	2,585	38	3	6,622
Total On-balance Sheet Exposures	33,688	1,044	744	3,114	324	7	38,921
Off-balance Sheet Exposures							**Amount Subject to RWA**
Letters of credit	374	0	0	23	0	0	398
Repo style transactions	13,829	3,845	51	185	4,485	8	22,403
Unused commitments	769	168	0	34	16	0	987
Derivatives	175	1,358	0	100	4	0	1,637
Unsettled Transactions	35	0	0	0	0	0	35
Total Off-balance Sheet Exposures	15,182	5,371	52	342	4,505	0	25,460
Grand Total	48,870	6,415	796	3,456	4,829	7	64,381

in USD m. — 31-Dec-22

On-balance Sheet Exposures	North America	Europe	Latin America	Caribbean	Asia	Other Countries	Amount Subject to RWA
Cash and balances due from depository institutions	16,863	185	0	0	14	0	17,062
Securities: Available for Sale	967	0	0	0	0	0	967
Loans	12,326	307	1,126	332	168	0	14,259
Trading Assets	592	1	0	17	0	4	614
Other Assets	3,264	862	5	3,039	24	1	7,195
Total On-balance Sheet Exposures	34,012	1,355	1,131	3,388	206	5	40,097
Off-balance Sheet Exposures							**Amount Subject to RWA**
Letters of credit	529	0	0	29	0	0	558
Repo style transactions	13,947	3,817	508	244	4,753	0	23,269
Unused commitments	1,011	138	0	32	16	0	1,197
Derivatives	24	961	0	96	12	0	1,093
Total Off-balance Sheet Exposures	15,538	4,923	508	401	4,781	0	26,151
Grand Total	49,550	6,278	1,639	3,789	4,987	5	66,248

Please refer to page 26 for period-on-period variance commentary.

Gross Exposure by Asset Class and Residual Maturity

in USD m	31-Dec-23					
	Up to one month	Over 1 month to not more than 1 year	Over 1 year and not more than 2 years	Over 2 years and not more than 5 years	Over 5 years	Amount Subject to RWA
Cash and balances due from depository institutions	14,214	0	-	-	-	14,214
Securities: Available for Sale	1	80	74	391	1	546
Loans	755	4,989	2,075	4,401	4,221	16,441
Trading Assets	-	53	-	342	702	1,098
Other Assets	4,356	608	36	1,514	108	6,622
Total On-balance Sheet Exposures	19,326	5,730	2,185	6,648	5,032	38,921
Letters of credit	2	365	3	22	6	398
Repo-Style transactions [1]	18,269	3,813	30	92	199	22,403
Unused Commitments	208	221	161	296	100	987
Derivatives	26	588	148	680	196	1,637
Unsettled	-	27	-	6	2	35
Total Off-balance Sheet Exposures	18,505	5,014	342	1,096	503	25,460
Grand Total	37,831	10,744	2,527	7,744	5,535	64,38

in USD m	31-Dec-22					
	Up to one month	Over 1 month to not more than 1 year	Over 1 year and not more than 2 years	Over 2 years and not more than 5 years	Over 5 years	Amount Subject to RWA
Cash and balances due from depository institutions	17,062	-	-	-	-	17,062
Securities: Available for Sale	1	433	72	183	278	967
Loans	602	4,385	2,025	2,967	4,280	14,259
Trading Assets	151	-	173	196	94	614
Other Assets	4,723	585	36	1,704	147	7,195
Total On-balance Sheet Exposures	22,539	5,403	2,306	5,050	4,799	40,097
Letters of credit	219	307	5	22	5	558
Repo-Style transactions [1]	18,459	4,486	-	77	247	23,269
Unused Commitments	236	407	127	293	134	1,197
Derivatives	8	130	124	187	644	1,093
Unsettled	20	-	-	10	4	34
Total Off-balance Sheet Exposures	18,942	5,330	256	589	1,034	26,151
Grand Total	41,481	10,733	2,562	5,639	5,833	66,248

1 Include Flexible Repurchase Agreements ("Flex Repos") which combine the security of owning U.S. Government Obligations, fixed interest rates, the withdrawal flexibility of a money market account and the high yield of a medium- or long-term investment. Flex Repos are generally long term because they are tied to construction projects for which bond proceeds need to be invested until payment is due for each stage of construction. In return for the added flexibility, investors in Flex Repos almost always receive slightly lower rates of return than investors with terms that are more traditional. Flex Repos are provided by DBSI, the U.S. broker dealer.

Please refer to page 26 for period-on-period variance commentary.

Gross Exposure by Asset Class and Industry

in USD m	31-Dec-23					
	Public institutions	Banks and other financial institutions	Corporations	Retail	Other	Amount Subject to RWA
Cash and balances due from depository institutions	13,714	500	-	-	-	14,214
Securities: Available for Sale	457	89	0	-	-	546
Loans	601	5,008	2,665	3,801	4,366	16,441
Trading Assets	792	147	76	13	70	1,098
Other Assets	383	3,811	470	33	1,925	6,622
Total On-balance Sheet Exposures	15,947	9,555	3,211	3,847	6,361	38,921
Letters of credit	5	240	53	97	2	398
Repo-Style transactions	3,208	19,114	41	-	40	22,403
Unused Commitments	108	428	134	197	120	987
Derivatives	797	840	-	-		1,637
Unsettled	0	36	0	-	-	35
Total Off-balance Sheet Exposures	4,118	20,658	228	294	162	25,460
Grand Total	20,065	30,213	3,439	4,141	6,523	64,3

in USD m	31-Dec-22					
	Public institutions	Banks and other financial institutions	Corporations	Retail	Other	Amount Subject to RWA
Cash and balances due from depository institutions	16,165	897	-	-	-	17,062
Securities: Available for Sale	836	89	34	-	8	967
Loans	467	4,970	1,986	3,160	3,676	14,259
Trading Assets	362	64	35	15	138	614
Other Assets	359	4,443	307	12	2,074	7,195
Total On-balance Sheet Exposures	18,189	10,463	2,362	3,187	5,896	40,097
Letters of credit	3	277	178	97	3	558
Repo-Style transactions	6,647	16,540	8	-	74	23,269
Unused Commitments	109	594	129	257	108	1,197
Derivatives	852	241	-	-	-	1,093
Unsettled	-	33	-	1	-	34
Total Off-balance Sheet Exposures	7,611	17,685	315	355	185	26,151
Grand Total	25,800	28,148	2,677	3,542	6,081	66,24

Please refer to page 26 for period-on-period variance commentary.

Basel 3 Standardized Approach Exposure Amounts and Risk-weighted Assets by Exposure Class and Risk Weight

in USD m. 31-Dec-23

US Basel 3 Standardized Approach	US Basel 3	Exposure		by risk weighting																
On-balance Sheet Exposures	RWA	Balance Sheet Amount	Amount Subject to RWA	0%	2%	4%	10%	20%	50%	100%	150%	250%	300%	400%	600%	625%	937.5%	1250%	Other Amount	Other RWA
Cash and balances due from depository institutions	109	14,214	14,214	13,673	0	0	0	540	0	1	0	0	0	0	0	0	0	0	0	0
Securities: Available for Sale	25	546	546	452	0	0	0	86	0	8	0	0	0	0	0	0	0	0	0	0
Securities Purchased under agreements to Resell	0	54,452	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans: Residential mortgage exposures	1,263	2,418	2,418	1	0	0	0	0	2,309	108	0	0	0	0	0	0	0	0	0	0
Loans: High volatility commercial real estate exposures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exposure past due 90 days or more or on nonaccrual																				
Loans: All other exposures	13,892	14,023	14,023	116	0	0	0	545	135	12,251	976	0	0	0	0	0	0	0	0	0
Loans: Allowance for Loan Loss	0	(16)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trading Assets	220	15,570	1,012	792	0	0	0	0	0	220	0	0	0	0	0	0	0	0	0	0
All Other Assets: All Other	5,762	11,340	6,622	189	0	0	0	3,054	3	2,017	11	1,209	0	0	0	0	0	0	139	94
Securitization Exposures: Trading Assets[1]	568	1,050	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	568
Total On-balance Sheet Exposures	**21,839**	**113,597**	**38,835**	**15,223**	**0**	**0**	**0**	**4,225**	**2,447**	**14,605**	**987**	**1,209**	**0**	**0**	**0**	**0**	**0**	**0**	**139**	**662**

Off-balance Sheet Exposures		Face, Notional or Other Amount	Credit Equivalent Amount	0%	2%	4%	10%	20%	50%	100%	150%	250%	300%	400%	600%	625%	937.5%	1250%	Other Exposure	Other RWA
Financial standby letters of credit	320	346	346	21	0	0	0	4	3	318	0	0	0	0	0	0	0	0	0	0
Performance standby letters of credit	52	104	52	0	0	0	0	0	1	51	0	0	0	0	0	0	0	0	0	0
Commercial and similar letters of credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repo style transactions	5,869	22,403	22,403	11,619	1,245	0	0	4,374	392	4,773	0	0	0	0	0	0	0	0	0	0
Unused commitments: 1 year of less	13	65	13	0	0	0	0	0	0	13	0	0	0	0	0	0	0	0	0	0
Unused commitments: exceeding 1 year	763	1,948	974	84	0	0	0	103	89	698	0	0	0	0	0	0	0	0	0	0
Over-the-counter derivatives	213	642	642	0	0	0	0	536	0	106	0	0	0	0	0	0	0	0	0	0
Centrally Cleared derivatives	20	995	995	0	995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsettled Transactions	6	35	35	29	0	0	0	0	0	6	0	0	0	0	0	0	0	0	0	0
Total Off-balance Sheet Exposures	**7,256**	**26,538**	**25,460**	**11,753**	**2,240**	**0**	**0**	**5,017**	**485**	**5,965**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Risk Weighted Assets, excluding Market Risk	**29,095**		**29,095**	**0**	**45**	**0**	**0**	**1,848**	**1,466**	**20,570**	**1,481**	**3,023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**662**
Standardized Market Risk Weighted Assets	**8,238**																			
Total Risk Weighted Assets	**37,333**																			

in USD m. 31-Dec-22

US Basel 3 Standardized Approach	US Basel 3	Exposure		by risk weighting																
On-balance Sheet Exposures	RWA	Balance Sheet Amount	Amount Subject to RWA	0%	2%	4%	10%	20%	50%	100%	150%	250%	300%	400%	600%	625%	937.5%	1250%	Other Amount	Other RWA
Cash and balances due from depository institutions	185	17,062	17,062	16,139	0	0	0	923	0	0	0	0	0	0	0	0	0	0	0	0
Securities: Available for Sale	72	967	967	829	0	0	0	83	0	55	0	0	0	0	0	0	0	0	0	0
Securities Purchased under agreements to Resell	0	43,029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans: Residential mortgage exposures	1,290	2,476	2,476	4	0	0	0	0	2,364	108	0	0	0	0	0	0	0	0	0	0
Loans: High volatility commercial real estate exposures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exposure past due 90 days or more or on nonaccrual	2	1	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
Loans: All other exposures	11,867	11,782	11,782	113	0	0	0	376	201	9,894	1,198	0	0	0	0	0	0	0	0	0
Loans: Allowance for Loan Loss	0	(16)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trading Assets	205	15,868	566	361	0	0	0	0	0	205	0	0	0	0	0	0	0	0	0	0
All Other Assets: All Other	6,200	11,093	7,195	162	0	0	0	3,668	6	1,841	13	1,418	0	0	0	0	0	0	87	58
Securitization Exposures: Trading Assets	384	864	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	384
Total On-balance Sheet Exposures	**20,205**	**103,126**	**40,049**	**17,608**	**0**	**0**	**0**	**5,050**	**2,571**	**12,103**	**1,212**	**1,418**	**0**	**0**	**0**	**0**	**0**	**0**	**87**	**442**

Off-balance Sheet Exposures		Face, Notional or Other Amount	Credit Equivalent Amount	0%	2%	4%	10%	20%	50%	100%	150%	250%	300%	400%	600%	625%	937.5%	1250%	Other Exposure	Other RWA
Financial standby letters of credit	458	532	532	70	0	0	0	4	1	457	0	0	0	0	0	0	0	0	0	0
Performance standby letters of credit	25	52	26	0	0	0	0	1	0	25	0	0	0	0	0	0	0	0	0	0
Commercial and similar letters of credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repo style transactions	6,062	23,269	23,269	12,139	1,357	0	0	4,317	569	4,887	0	0	0	0	0	0	0	0	0	0
Unused commitments: 1 year of less	5	25	5	0	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0
Unused commitments: exceeding 1 year	983	2,384	1,192	85	0	0	0	103	84	920	0	0	0	0	0	0	0	0	0	0
Over-the-counter derivatives	143	248	248	0	0	0	0	131	0	117	0	0	0	0	0	0	0	0	0	0
Centrally Cleared derivatives	17	845	845	0	845	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsettled Transactions	58	34	34	26	0	0	0	0	0	2	0	0	0	0	0	2	2	2	0	0
Total Off-balance Sheet Exposures	**7,751**	**27,389**	**26,151**	**12,320**	**2,202**	**0**	**0**	**4,556**	**654**	**6,413**	**0**	**0**	**0**	**0**	**0**	**2**	**2**	**2**	**0**	**0**
Total Risk Weighted Assets, excluding Market Risk	**27,956**		**27,956**	**0**	**44**	**0**	**0**	**1,921**	**1,613**	**18,516**	**1,818**	**3,545**	**0**	**0**	**0**	**13**	**19**	**25**	**0**	**442**
Standardized Market Risk Weighted Assets	**10,885**																			
Total Risk Weighted Assets	**38,841**																			

Please refer to page 26 for period-on-period variance commentary.

Basel 3 Standardized Approach Risk-weighted Assets by Line of Business

in USD m.	31-Dec-22 Risk Weighted Assets at the end of the period
Investment Bank	18,419
Origination & Advisory	617
Fixed Income & Currencies	17,660
Other	142
Corporate Bank	4,525
Private Bank	11,015
Other Divisions and Infrastructure	1,012
Other Corporate Items	3,870
Total	**38,841**

in USD m.	31-Dec-23 Risk Weighted Assets at the end of the period
Investment Bank	15,867
Origination & Advisory	510
Fixed Income & Currencies	15,234
Other	123
Corporate Bank	4,788
Private Bank	12,389
Other Divisions and infrastructure	803
Other Corporate Items	3,486
Total	**37,333**

Please refer to page 26 for period-on-period variance commentary.

Credit risk and credit risk mitigation

The majority of credit risk mitigation techniques are applied to secured financing transactions (SFT) and derivatives. Credit risk mitigation techniques for all of the other products are not significant. DB USA Corp takes advantage of credit-risk mitigation benefits, as permitted under U.S. Basel III Rule, in its computation of risk-weighted assets.

For derivatives, DB USA Corp receives cash and non-cash collateral which, subject to the U.S. Base III Rules, are applied against the computed gross credit exposures. For SFTs, DB USA Corp is frequently able to use the collateral haircut approach to recognize credit risk mitigation benefits of financial collateral. The collateral haircut approach allows DB USA Corp to only consider liquid, eligible collateral. Where the collateral haircut approach is not viable, DB USA Corp may still obtain the credit-risk mitigation benefits of the collateral simple approach, which permits DB USA Corp to substitute the risk weight of the collateral for the risk weight of the counterparty.

Netting of secured financing transactions

Netting of SFT’s meeting the definition of Repo-style transactions is permitted under U.S. Basel III rules.

The following table presents the netting of SFT’s and related collateral amounts. Securities borrowed and securities loaned balances with the same counterparties are reported net by counterparty, pursuant to the provisions of ASC 210-20. As of December 31, 2023, DB USA Corp‘s securities borrowed and securities loaned balances reflected $1,120 million of netting pursuant to ASC 210-20.

in USD m.	Gross Amount	Amount Offset in the Statement of Financial Condition (1)	Net Amount Presented in the Statement of Financial Condition	Collateral Received or Pledged (2)	Net Amount (3)
	31-Dec-23				
Assets:					
Collateralized agreements and financings:					
Securities purchased under agreements to resell	124,989	(82,418)	42,571	(42,571)	-
Securities borrowed	13,001	(1,120)	11,881	—	11,881
Total	$ 137,990	(83,538)	54,452	(42,571)	11,881
Liabilities:					
Collateralized agreements and financings:					
Securities sold under agreements to repurchase	121,844	(82,418)	39,426	(39,426)	-
Securities loaned	1,287	(1,120)	167	(167)	-
Total	$ 123,131	(83,538)	39,593	(39,593)	-

(1) Includes collateral subject to enforceable master netting agreements that are permitted to be offset under ASC 210-20-45.
(2) Includes collateral subject to enforceable master netting agreement that are not permitted to be offset under ASC 210-20-45, but would be eligible for offsetting to the extent that an event of default occurs. Collateral is reflected at fair value but has been limited to the net asset or liability by counterparty contract.
(3) Remaining exposures continue to be secured by collateral, but DB USA may not have sought or been able to obtain a legal opinion evidencing enforceability of the right to offset.

in USD m.	Gross Amount	Amount Offset in the Statement of Financial Condition (1)	Net Amount Presented in the Statement of Financial Condition	Collateral Received or Pledged (2)	Net Amount (3)
	31-Dec-22				
Assets:					
Collateralized agreements and financings:					
Securities purchased under agreements to resell	93,307	(66,420)	26,887	(26,887)	-
Securities borrowed	20,423	(4,281)	16,142	-	16,142
Total	$ 113,730	(70,701)	43,029	(26,887)	16,142
Liabilities:					
Collateralized agreements and financings:					
Securities sold under agreements to repurchase	91,446	(66,420)	25,026	(25,026)	-
Securities loaned	4,788	(4,281)	507	(507)	-
Total	$ 96,234	(70,701)	25,533	(25,533)	-

(1) Includes collateral subject to enforceable master netting agreements that are permitted to be offset under ASC 210-20-45.
(2) Includes collateral subject to enforceable master netting agreement that are not permitted to be offset under ASC 210-20-45, but would be eligible for offsetting to the extent that an event of default occurs. Collateral is reflected at fair value but has been limited to the net asset or liability by counterparty contract.
(3) Remaining exposures continue to be secured by collateral, but DB USA may not have sought or been able to obtain a legal opinion evidencing enforceability of the right to offset.

Netting of derivatives transactions

Substantially all of DB USA Corp's derivatives transactions are entered into for trading purposes, to facilitate customer transactions, or as a means of risk management of firm inventory positions. Risk exposures are managed through diversification, by controlling position sizes and by established hedges in related securities or derivatives.

Netting of derivatives with qualifying master netting agreement is permitted under U.S. Basel 3 rules.

The following table sets forth the gross fair value, net fair value and notional amount of DB USA Corp's derivative contracts by major product type.

Variance commentary

DB USA Corp's derivative transactions increased slightly during the year due to an increase in exchange-traded contracts used in hedging activities. Fair values were lower due to movement in interest rates.

	31-Dec-23				
	Fair value		Notional Amount		
in USD m.	Assets	Liabilities	Exchange - traded	OTC	Total
Contract type					
Interest rate contracts	458	488	12,640	24,083	36,723
Credit contracts	-	-	-	-	-
Equity contracts	1	-	98	-	98
Other contracts	6	6	-	3,094	3,094
Total gross derivatives	465	494	12,738	27,177	39,915
	-	-			
Less: Counterparty netting (1)	(4)	(4)			
Net amounts presented in statement of financial condition	461	490			
Less: Cash collateral received/posted	(15)	(338)			
Net derivative	446	152			

(1) Amounts relate to master netting agreements and collateral agreements which have been determined by DB USA Corp to be legally enforceable in the event of default and where certain other criteria are met in accordance with applicable offsetting accounting guidance.

	31-Dec-22				
	Fair value		Notional Amount		
in USD m.	Assets	Liabilities	Exchange - traded	OTC	Total
Contract type					
Interest rate contracts	527	668	9,566	23,269	32,835
Credit contracts	-	-	-	-	-
Equity contracts	2	-	133	-	133
Other contracts	-	-	-	1,304	1,304
Total gross derivatives	529	668	9,699	24,573	34,272
Less: Counterparty netting (1)	(6)	(6)			
Net amounts presented in statement of financial condition	523	662			
Less: Cash collateral received/posted	(33)	(320)			
Net derivative	490	342			

(1) Amounts relate to master netting agreements and collateral agreements which have been determined by DB USA Corp to be legally enforceable in the event of default and where certain other criteria are met in accordance with applicable offsetting accounting guidance.

Impairments

The allowance for credit losses represents management's estimate of probable losses that have occurred in the loan portfolio and off balance sheet positions, which comprise contingent liabilities and lending related commitments as of the date of the consolidated and combined financial statements. The allowance for credit losses of funded lending related commitments is reported as a reduction of loans on the consolidated statement of financial condition. The allowance for credit losses of undrawn lending related commitments is reported in other liabilities on the consolidated statement of financial condition.

To allow management to determine the appropriate level of the allowance for credit losses, all significant counterparty relationships are reviewed periodically, as are loans under special supervision, such as impaired loans. This review encompasses current information and events related to the counterparty, such as past due status and collateral recovery values, as well as industry, geographic, economic, political, and other environmental factors. This process results in an allowance for credit losses which consists of a specific loss component and an inherent loss component.

The specific loss component represents the allowance for impaired loans. Impaired loans represent loans for which, based on current information and events, management believes it is probable that DB USA Corp will not be able to collect all principal and interest amounts due in accordance with the contractual terms of the loan agreement. The specific loss component of the allowance is measured by the excess of the recorded investment in the loan, including accrued interest, over either the present value of expected future cash flows, including cash flows that may result from foreclosure less costs for obtaining or selling the collateral, or the market price of the loan, discounted at the loan's effective interest rate. Impaired loans are generally placed on nonaccrual status.

The inherent loss component is principally for all other loans not deemed to be impaired, but that, on a portfolio basis, are believed to have some inherent loss, which is probable of occurring and is reasonably estimable. The inherent loss allowance represents an estimate of losses inherent in the portfolio that has not yet been individually identified and reflects the imprecision and uncertainties in estimating the allowance for loan loss. This estimate of inherent losses excludes those exposures that have already been considered when establishing the allowance for smaller balance standardized homogeneous loans.

Amounts determined to be uncollectible are charged to the allowance. Subsequent recoveries, if any, are credited to the allowance. The provision for credit losses, which is charged to income, is the amount necessary to adjust the allowance for credit losses to the level determined through the process described above.

The allowance for off balance sheet positions, which is established through charges to other expenses, is determined using the same measurement techniques as the allowance for credit losses.

Following the reporting guidelines issued by the Federal Reserve Bank (FRB), DB USA is taking the option to account for eligible loan modifications under Section 4013 of the CARES Act. This means DB USA is not required to apply ASC Subtopic 310-40 to the section 4013 loans for the term of the loan modification and as such do not have to report section 4013 loans as TDRs in regulatory reports. Eligible loans are defined as those which meet the definition of a TDR and the reporting guidance of the CARES Act. However, DB USA had no loan modifications that met these requirements and as such did not report any loan modifications under Section 4013 of the CARES Act.

Variance commentary

DB USA Corp's impaired loans decreased by $11 million to $26 million, and the loan loss allowance remained unchanged at $16 million as of December 31, 2023 compared with December 31, 2022. The decrease in impaired loans is primarily attributed to the repayment of nonaccrual loans. The specific allowance for loan losses remained zero and past due loans reported by DB USA Corp as of December 31, 2023 were immaterial.

Impaired loans, allowance for loan losses and coverage ratio by industry

	31-Dec-22			31-Dec-23		
in USD m.	Impaired Loans	Loan Loss Allowance	Impaired loan coverage ratio (%)	Impaired Loans	Loan Loss Allowance	Impaired loan coverage ratio (%)
Commercial and residential real estate activities	37	16	43%	26	16	62%
Total	37	16	43%	26	16	62%

Impaired loans, allowance for loan losses and coverage ratio by region

	31-Dec-22			31-Dec-23		
in USD m.	Impaired Loans	Loan Loss Allowance	Impaired loan coverage ratio (%)	Impaired Loans	Loan Loss Allowance	Impaired loan coverage ratio (%)
North America	37	16	43%	26	16	62%
Total	37	16	43%	26	16	62%

Development of impaired loans

	31-Dec-22	31-Dec-23
in USD m.	Impaired loans Individually assessed	Impaired loans Individually assessed
Balance, beginning of the year	77	37
Classified as impaired during the year	3	6
Transferred to not impaired during the year	-	(6)
Charge Offs	(1)	-
Disposal of impaired loans	(16)	(4)
Paydowns	(26)	(7)
Balance, end of the year	**37**	**26**

Supplementary Leverage Ratio

Per U.S. regulatory reporting requirements and in compliance with the FRB's Regulation YY (12 CFR 252.153), IHCs with consolidated total on-balance sheet foreign exposures in excess of USD $10 billion are required to comply with Supplemental Leverage Ratio (SLR) requirements. The SLR is designed to require a banking organization to hold a minimum amount of capital against total assets and off-balance sheet exposures, regardless of the riskiness of the individual assets. Thus, all categories of assets, including cash, U.S. Treasuries, and deposits at the Federal Reserve, are included in the determination of the SLR. The SLR is the ratio of an IHC's Tier 1 capital as of a quarter-end to total leverage exposure, the latter of which is calculated as the sum of:

(A)The average on-balance sheet assets calculated as of each day of the reporting quarter;

and

(B) The average off-balance sheet exposures calculated as of the last day of each of the most recent three months, minus the applicable deductions from Tier 1 capital.

The main components of total leverage exposure are:

- On-balance sheet exposures;
- Derivative exposures;
- Repo-style transactions and
- Other off-balance sheet exposures.

The SLR reporting requirements follow the classification and segmentation required by Schedule A of the FFIEC 101 report.

	in USD m.	31-Dec-22	31-Dec-23
2.1	The balance sheet carrying value of all on-balance sheet assets (excluding on-balance sheet assets for derivative transactions and repo-style transactions, but including collateral)	63,478	57,819
2.2a	Deductions from common equity tier 1 capital and additional tier 1 capital (report as a positive amount)	107	135
2.2b	Adjustments for deductions of qualifying central bank deposits for custodial banking organisations	0	0
2.3	**Total on-balance sheet exposures (item 2.1 minus item 2.2)**	**63,371**	**57,684**
2.4	Replacement cost for all derivative transactions	227	899
2.5	Add-on amounts for potential future exposure (PFE) for all derivative transactions	2,518	3,610
2.6	Gross-up for collateral posted in derivative transactions if collateral is deducted from on-balance sheet assets	0	0
2.7	Deduction of receivable assets for qualifying cash variation margin posted in derivative transactions (report as a positive amount)	0	0
2.8	Exempted exposures to central counterparties (CCPs) in cleared transactions (report as a positive amount)	1,383	2,093
2.9	Adjusted effective notional principal amount of sold credit protection	0	0
2.10	Adjusted effective notional principal amount offsets and PFE deductions for sold credit protection (report as a positive amount)	0	0
2.11	**Total derivative exposures (sum of items 2.4, 2.5, 2.6 and 2.9, minus items 2.7, 2.8, and 2.10)**	**1,362**	**2,416**
2.12	Gross assets for repo-style transactions, with no recognition of netting	135,900	149,646
2.13	Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions (report as a positive value)	70,937	76,942
2.14	Counterparty credit risk for all repo-style transactions	899	1,474
2.15	Exposure amount for repo-style transactions where an institution acts as an agent	0	0
2.16	**Total exposures for repo-style transactions (sum of items 2.12, 2.14, and 2.15, minus item 2.13)**	**65,862**	**74,178**
2.17	Off-balance sheet exposures at gross notional amounts	31,816	37,378
2.18	Adjustments for conversion to credit equivalent amounts (report as a positive amount)	21,474	26,437
2.19	**Total off-balance sheet exposures (item 2.17 minus item 2.18)**	**10,342**	**10,941**
2.20	**Tier 1 capital (from Schedule A, item 45)**	**13,359**	**13,082**
2.21	**Total leverage exposure (sum of items 2.3, 2.11, 2.16, and 2.19)**	**140,937**	**145,219**
2.22	**Supplementary leverage ratio (item 2.20 divided by item 2.21)**	**9.4787%**	**9.0085%**

Please refer to page 26 for period-on-period variance commentary

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) is intended to promote the short-term resilience of a bank's liquidity risk profile over a 30 day stress scenario. The ratio is defined as the amount of High Quality Liquid Assets (HQLA) that could be used to raise liquidity, measured against the total volume of net cash outflows, arising from both actual and contingent exposures, projected over a 30 calendar-day period of significant stress. Banks are also required to take into account potential maturity mismatches between contractual outflows and inflows during the 30 day stress period.

The following table presents DB USA Corp's average LCR, and average unweighted and weighted amounts of HQLA, cash outflows and cash inflows, for the quarters ended March 31, June 30, September 30 and December 31, 2023.

Please refer to page 26 for period-on-period variance commentary

		Average Unweighted Amount				Average Weighted Amount			
in USD m.	For the quarter ended	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23
HIGH-QUALITY LIQUID ASSETS (1)									
1	**Total eligible high-quality liquid assets (HQLA), of which:**	**21,369**	**20,610**	**20,265**	**19,531**	**21,369**	**20,610**	**20,265**	**19,531**
2	Eligible level 1 liquid assets	21,369	20,610	20,265	19,531	21,369	20,610	20,265	19,531
3	Eligible level 2A liquid assets		-	-	-	-	-	-	-
4	Eligible level 2B l iquid assets		-	-	-	-	-	-	-
CASH OUTFLOW AMOUNTS									
5	**Deposit outflow from retail customers and counterparties, of which:**	**703**	**658**	**572**	**644**	**66**	**62**	**54**	**61**
6	Stable retail deposit outflow	48	49	45	46	1	1	1	1
7	Other retail funding outflow	655	609	527	598	65	61	53	60
8	Brokered deposit outflow		-	-	-	-	-	-	-
9	**Unsecured wholesale funding outflow, of which:**	**28,230**	**25,761**	**24,791**	**25,014**	**16,163**	**15,228**	**14,259**	**14,331**
10	Operational deposit outflow	13,736	11,995	11,177	11,622	3,432	2,996	2,792	2,903
11	Non-operational funding outflow	14,332	13,580	13,381	13,308	12,573	12,047	11,238	11,345
12	Unsecured debt outflow	162.00	186	233	84	158.00	185	229	83
13	**Secured wholesale funding and asset exchange outflow**	**110,403**	**112,045**	**113,373**	**124,139**	**5,077**	**4,468**	**4,232**	**4,433**
14	**Additional outflow requirements, of which:**	**3,023**	**3,092**	**2,824**	**2,910**	**1,371**	**1,387**	**1,284**	**1,086**
15	Outflow related to derivative exposures and other collateral requirements	324	365	360	490	269	264	229	240
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	2,699	2,727	2,464	2,420	1,102	1,123	1,088	846
17	**Other contractual funding obligation outflow**	**827**	**930**	**944**	**987**	**622**	**756**	**798**	**841**
18	Other contingent funding obligations outflow		-	-	-	-	-	-	-
19	**TOTAL CASH OUTFLOW**	**143,186**	**142,486**	**142,504**	**153,694**	**23,299**	**21,901**	**20,627**	**20,752**
CASH INFLOW AMOUNTS									
20	**Secured lending and asset exchange cash inflow**	**121,739**	**122,949**	**122,647**	**132,210**	**4,835**	**4,269**	**3,981**	**4,071**
21	**Retail cash inflow**	**56**	**52**	**9**	**88**	**28**	**26**	**5**	**44**
22	**Unsecured wholesale cash inflow**	**1,196**	**1,037**	**1,299**	**1,566**	**1,116**	**987**	**1,141**	**1,281**
23	**Other cash inflows, of which:**	**163**	**163**	**178**	**168**	**163**	**163**	**178**	**168**
24	Net derivative cash inflow	47	37	39	43	47	37	39	43
25	Securities cash inflow	116	126	139	125	116	126	139	125
26	Broker-dealer segregated account inflow		-	-	-	-	-	-	-
27	Other cash i nflow		-	-	-	-	-	-	-
TOTAL CASH INFLOW		**123,154**	**124,201**	**124,133**	**134,032**	**6,142**	**5,445**	**5,305**	**5,564**
29	**HQLA AMOUNT (1)**					**21,369**	**20,610**	**20,265**	**19,531**
30	**TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON**					**17,157**	**16,456**	**15,322**	**15,188**
31	**MATURITY MISMATCH ADD-ON**					**1**	**-**	**-**	**-**
32	**TOTAL NET CASH OUTFLOW AMOUNT (2)**					**14,584**	**13,988**	**13,024**	**12,910**
33	**LIQUIDITY COVERAGE RATIO (%)**					**147%**	**147%**	**156%**	**151%**

(1) *HQLA figures have been adjusted for the trapped HQLA at the U.S. subsidaries*

(2) *The total net cash outflow amount does not tie using component amounts due to the application of 85% as prescribed by the Tailoring Rule*

(3) *Numbers may not add due to rounding*

Net Stable Funding Ratio

The NSFR requires banks to maintain a stable funding profile in relation to the on and off-balance sheet activities. The ratio is defined as the amount of Available Stable Funding (the portion of capital and liabilities expected to be a stable source of funding), relative to the amount of Required Stable Funding (a function of the liquidity characteristics of various assets held).

The following tables present the Firm's average NSFR, and the average unweighted and weighted amounts across the prescribed tenor bucketing for 3Q 2023 and 4Q 2023.

							December 31,2023
	Unweighted and weighted averages						
in USD m.	Unspecified Maturity	Open Maturity	< 6 months	6 months to < 1 year	>= 1 year	Perpetual	Weighted Amount
Available stable funding (ASF) items							
Capital and Securities:[1]	-	-	-	-	-	13,080	13,080
NSFR regulatory capital elements	-	-	-	-	-	13,080	13,080
Other capital elements and securities	-	-	-	-	-	-	-
Retail Funding:	-	630	10	1	-	-	582
Stable Deposits	-	46	-	-	-	-	44
Less stable deposits	-	584	9	1	-	-	538
Sweep deposits, brokered reciprocal deposits, and brokered deposits	-	-	-	-	-	-	-
Other retail funding	-	-	-	-	-	-	-
Wholesale funding:	-	33,419	66,960	2,635	5,385	-	14,077
Operational deposits	-	11,627	-	-	-	-	5,811
Other wholesale funding	-	21,793	66,960	2,635	5,385	-	8,266
Other liabilities[1, 2]	910	26	1,668	204	2,764	-	20
NSFR derivatives liability amount	11	-	-	-	-	-	-
Total derivatives liability amount	899	-	-	-	-	-	20
All other liabilities not included in the above categories	-	26	1,668	204	2,764	-	-
ASF trapped at subsidiaries	-	-	-	-	-	-	-
Total available stable funding ASF)	-	-	-	-	-	-	**27,759**
Required stable funding (RSF) Items							
Total high-quality liquid assets (HQLA)	-	30,664	3,533	715	22,131	-	36
Level 1 liquid assets	-	30,442	3,533	715	22,130	-	2
Level 2A liquid assets	-	222	-	-	-	-	33
Level 2B liquid assets	-	-	-	-	-	-	-
Zero percent RSF assets that are not level 1 liquid assets	-	34	6	3	164	-	-
Operational deposits placed at financial sector entities or their consolidated subsidiaries	-	742	-	-	-	-	371
Loans and securities:	-	24,300	50,410	2,487	10,785	-	14,943
Loans to financial sector entities secured by level 1 liquid assets	-	14,978	44,908	518	-	-	3
Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	-	5,168	3,166	705	2,973	-	4,697
Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	-	4,126	1,762	1,242	5,469	-	8,182
Of which: With a risk weight no greater than 20 percent under [AGENCY CAPITAL REGULATION]	-	288	149	180	45	-	344
Retail mortgages	-	6	574	23	1,449	-	1,285
Of which: With a risk weight no greater than 50 percent under [AGENCY CAPITAL REGULATION]	-	-	-	-	1,366	-	919
Securities that do not qualify as HQLA	-	22	-	-	894	-	776
Other assets:[2]	947	7	32	-	7,405	-	8,043
Commodities	-	-	-	-	-	-	-
Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements	684	-	-	-	-	-	582
NSFR derivatives asset amount[1]	6	-	-	-	-	-	5
Total derivatives asset amount	405	-	-	-	-	-	14
RSF for potential derivatives portfolio valuation changes	257	-	1	-	-	-	13
All other assets not included in the above categories, including nonperforming assets	-	7	31	-	7,405	-	7,444
Undrawn commitments	-	8,210	2,472	-	-	-	534
Total required stable funding(RSF)	-	-	-	-	-	-	23,927
Required stable funding adjustment percentage	-	-	-	-	-	-	85%
Total adjusted RSF	-	-	-	-	-	-	20,338
Net Stable Funding Ratio	-	-	-	-	-	-	136%

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.

							September 30,2023
	Unweighted and weighted averages						
in USD m.	Unspecified Maturity	Open Maturity	< 6 months	6 months to < 1 year	>= 1 year	Perpetual	Weighted Amount
Available stable funding (ASF) items							
Capital and Securities:[1]	-	-	-	-	-	13,698	13,698
NSFR regulatory capital elements	-	-	-	-	-	13,698	13,698
Other capital elements and securities	-	-	-	-	-	-	-
Retail Funding:	-	566	7	-	-	-	517
Stable Deposits	-	45	-	-	-	-	43
Less stable deposits	-	521	7	-	-	-	474
Sweep deposits, brokered reciprocal deposits, and brokered deposits	-	-	-	-	-	-	-
Other retail funding	-	-	-	-	-	-	-
Wholesale funding:	-	33,750	55,452	2,603	6,887	-	15,296
Operational deposits	-	11,167	-	-	-	-	5,592
Other wholesale funding	-	22,583	55,452	2,603	6,887	-	9,705
Other liabilities[1, 2]	1,151	-	1,705	225	3,591	-	-
NSFR derivatives liability amount	-	-	-	-	-	-	-
Total derivatives liability amount	1,151	-	-	-	-	-	-
All other liabilities not included in the above categories	0	-	1,705	225	3,591	-	-
ASF trapped at subsidiaries	-	-	-	-	-	-	-
Total available stable funding ASF)	-	-	-	-	-	-	**29,511**
Required stable funding (RSF) Items							
Total high-quality liquid assets (HQLA)	-	33,131	2,588	591	20,491	-	51
Level 1 liquid assets	-	32,989	2,588	591	20,490	-	30
Level 2A liquid assets	-	142	-	-	-	-	21
Level 2B liquid assets	-	-	-	-	-	-	-
Zero percent RSF assets that are not level 1 liquid assets	-	31	13	3	159	-	-
Operational deposits placed at financial sector entities or their consolidated subsidiaries	-	770	-	-	-	-	385
Loans and securities:	-	22,784	41,357	2,731	11,098	-	14,635
Loans to financial sector entities secured by level 1 liquid assets	-	15,129	34,990	632	8	-	135
Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	-	3,880	4,536	916	2,936	-	4,581
Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties	-	3,748	1,419	978	5,795	-	7,891
Of which: With a risk weight no greater than 20 percent under [AGENCY CAPITAL REGULATION]	-	157	147	215	18	-	268
Retail mortgages	-	-	412	205	1,463	-	1,249
Of which: With a risk weight no greater than 50 percent under [AGENCY CAPITAL REGULATION]	-	-	-	-	1,381	-	883
Securities that do not qualify as HQLA	-	27	-	-	896	-	780
Other assets:[2]	815	50	347	1	7,313	-	8,147
Commodities	-	-	-	-	-	-	-
Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements	564	-	-	-	-	-	479
NSFR derivatives asset amount[1]	9	-	-	-	-	-	9
Total derivatives asset amount	144	-	-	-	-	-	9
RSF for potential derivatives portfolio valuation changes	241	-	-	-	-	-	12
All other assets not included in the above categories, including nonperforming assets	-	50	347	1	7,313	-	7,646
Undrawn commitments	-	8,210	2,666	-	-	-	544
Total required stable funding(RSF)	-	-	-	-	-	-	23,762
Required stable funding adjustment percentage	-	-	-	-	-	-	85%
Total adjusted RSF	-	-	-	-	-	-	20,198
Net Stable Funding Ratio(in percent)	-	-	-	-	-	-	146%

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.

Remuneration Policy, Employee Compensation Report

Deutsche Bank Group (the bank) generally implements its compensation policies on a group-wide basis, so that the compensation policies and decisions as described below also apply to the employees of the DB USA Corp. For a consolidated view at Group level including all consolidated entities please refer to the “Employee Compensation Report” for 2023 as part of Deutsche Bank AG’s Annual Report 2023.

Overview on Compensation Decisions for 2023

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, management must ensure that compensation decisions are not detrimental to maintaining the bank’s sound capital base and liquidity reserves.

Despite a persistently difficult macroeconomic environment, Deutsche Bank has demonstrated resilience and achieved sustainable business growth and revenues, resulting in a pre-tax profit of € 5.7 billion.

2023 was a successful year for Deutsche Bank, further proving the strength of its Global Hausbank model: a client centric approach coupled with targeted investment decisions, without losing focus on continued cost discipline, capital generation and strong controls. The bank reconfirmed a measured and forward-looking approach when deciding on variable compensation for 2023. This approach balanced the need to grow sustainably whilst remaining within the boundaries of cost commitments as well as remunerating employees fairly and competitively based on performance. This resulted in VC levels for 2023 that are more conservative than the bank’s financial performance might have indicted. As in previous years, the SECC continuously monitored and reviewed the implications of potential VC awards, both for the bank’s capital and liquidity base and for its ambitious cost targets.

With due consideration for all these factors, the Management Board determined that the bank is in a position to award variable compensation, including a year-end performance-based VC pool, of € 1.966 billion for 2023 (2022: € 2.126 billion) The VC for the Management Board of Deutsche Bank AG was determined, as always, by the Supervisory Board in a separate process, but is included in the tables and charts below. As part of the overall 2023 VC awards granted in March 2024, the Group VC Component was awarded to all eligible employees in line with the assessment of the four defined KPI categories which are outlined in the Group Compensation Framework chapter of this Report. The Management Board determined a payout rate of 70% for the Group VC Component in 2023, compared to 80% in 2022 and 77.5% in 2021.

DB USA Corp: Compensation awards for 2023 – all employees

	2023	2022
	Total	Total
Number of employees (full-time equivalent)	6,731	6,244
Total compensation (in USD millions) [1]	1,920	1,813
Fixed Pay	1,463	1,343
Variable Pay	457	470

[1] The table may contain marginal rounding differences.

Regulatory Environment

Ensuring compliance with regulatory requirements is an overarching consideration in the bank’s Group Compensation Strategy. The bank strives to be at the forefront of implementing regulatory requirements with respect to compensation and will continue to maintain a close exchange with its prudential supervisor, the European Central Bank (ECB), to be in compliance with all existing and new requirements.

As an EU-headquartered institution, Deutsche Bank is subject to the Capital Requirements Regulation/Directive (CRR/CRD) globally, as transposed into German national law in the German Banking Act and InstVV. These rules are applied to all of Deutsche Bank subsidiaries and branches world-wide to the extent required in accordance with Section 27 InstVV. As a Significant Institution within the meaning of InstVV, Deutsche Bank identifies all employees whose work is deemed to have a material impact on the overall risk profile (Material Risk Takers or MRTs) in accordance with the criteria stipulated in the German Baking Act and in the Commission Delegated Regulation 2021/923. Deutsche Bank identifies MRTs at a Group level, at the level of Significant Institutions and, in accordance with the German Banking Act, for all CRR institutions at a solo level.

Taking into account more specific sectorial legislation and in accordance with InstVV, some of Deutsche Bank's subsidiaries (in particular within the DWS Group) fall under sector specific remuneration rules, such as the Alternative Investments Fund Managers Directive (AIFMD), the Undertakings for Collective Investments in Transferable Securities Directive (UCITS) and the Investment Firm Directive (IFD) including the applicable local transpositions. MRTs are also identified in these subsidiaries. Identified employees are subject to the remuneration provisions outlined in the applicable Guidelines on sound remuneration policies published by the European Securities and Markets Authority (ESMA) and the European Banking Authority (EBA).

Deutsche Bank takes into account the regulations targeted at employees who engage directly or indirectly with the bank's clients, for instance as per the local transpositions of the Markets in Financial Instruments Directive II – MiFID II. Accordingly, specific provisions for employees deemed to be Relevant Persons are implemented with a view to ensuring that they act in the best interest of the bank's clients.

Where applicable, Deutsche Bank is also subject to specific rules and regulations implemented by local regulators. Many of these requirements are aligned with the InstVV. However, where variations are apparent, proactive, and open discussions with regulators have enabled the bank to follow the local regulations whilst ensuring that any impacted employees or locations remain within the bank's overall Group Compensation Framework. This includes, for example, the compensation structures applied to Covered Employees in the United States under the requirements of the Federal Reserve Board as well as the requirements related to compensation recovery for executive officers in the event of an accounting restatement as required by the U.S. Securities and Exchange Commission. In any case, the InstVV requirements are applied as minimum standards globally.

Compensation Governance

Deutsche Bank has a robust governance structure enabling it to operate within the clear parameters of its Compensation Strategy and Policy. In accordance with the German two-tier board structure, the Supervisory Board governs the compensation of the Management Board members while the Management Board oversees compensation matters for all other employees in the Group. Both the Supervisory Board and the Management Board are supported by specific committees and functions, in particular the Compensation Control Committee (CCC), the Compensation Officer, and the Senior Executive Compensation Committee (SECC).

In line with their responsibilities, the bank'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 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.

Reward Governance structure

[1] Does not comprise a complete list of Supervisory Board Committees

Compensation Control Committee (CCC)

The Supervisory Board has set up the CCC to support in establishing and monitoring the structure of the compensation system for the Management Board Members of Deutsche Bank AG. Furthermore, the CCC monitors the appropriateness of the compensation systems for the employees of Deutsche Bank Group, as established by the Management Board and the SECC. The CCC reviews whether the total amount of variable compensation is affordable and set in accordance with the risk, capital and liquidity situation as well as in alignment with the business and risk strategies. Furthermore, the CCC supports the Supervisory Board in monitoring the MRT identification process.

The CCC consists of the Supervisory Board Chairperson as well as two other Supervisory Board Members representing shareholders and three Supervisory Board Members representing employees. The Committee held six meetings in the calendar year 2023. The members of the Risk Committee attended two meetings as guests, the Chairperson of the Risk Committee attended four meetings as guest. Further details can be found in the Report of the Supervisory Board within the Annual Report.

Compensation Officer

The Management Board, in cooperation with the CCC, has appointed a Group Compensation Officer to support the Supervisory Boards of Deutsche Bank AG and of the bank's Significant Institutions in Germany in performing their compensation related duties. The Compensation Officer is involved in the conceptual review, development, monitoring and application of the employees' compensation systems, the MRT identification and remuneration disclosures on an ongoing basis. The Compensation Officer performs all relevant monitoring obligations independently, provides an assessment on the appropriateness of the design and strategy of the compensation systems for employees at least annually and regularly supports and advises the CCC.

Senior Executive Compensation Committee (SECC)

The SECC is a delegated committee established by the 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 and Policy. Moreover, using quantitative and qualitative factors, the SECC assesses 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 2023, the SECC's membership comprised of the DB AG Management Board members responsible for Human Resources and the Chief Financial Officer as Co-Chairpersons, the Global Head of Compliance, the Global Head of Performance & Reward as well as an additional representative from both Finance and Risk as voting members. The Compensation Officer, the Deputy Compensation Officer and an additional representative from Finance participated as nonvoting 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 2023.

Compensation 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 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
– Support the delivery of our sustainable growth **strategy as a Global Hausbank** – Align with **clients' and shareholder interests** and manage costs effectively – **Prevent inappropriate risk taking** and taking into account various risk types including Environmental, Social and Governance **(ESG) risk** – **Attract** and **retain best talent** by having market-aligned and competitive frameworks and processes – Support our **culture aspirations,** incl. promotion of a **strong risk and "speak up" culture**	– Create an environment for **motivated**, **engaged** and **committed** employees – Strong link between performance and pay outcomes to foster a **sustainable performance culture** – Apply and promote the bank's **corporate Values and Beliefs** and the **Code of Conduct** and apply **appropriate consequences for failing to meet required standards**	Processes designed to: – Foster a gender-neutral approach, be **simple and transparent** and ensure **equity and fairness** – Ensure compliance with legal and **regulatory** requirements – Prevent inappropriate risk-taking by incorporating **risk management** measures

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 the compensation framework are applied to all employees equally, 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. Nonetheless, the bank has determined that employees in specific infrastructure functions (such as Legal, Group Tax and Human Resources) should in general continue to be subject to a maximum ratio of 1:1 while Control Functions as defined by InstVV are subject to a maximum ratio of 2:1. These Control Functions comprise Risk, Compliance, Anti-Financial Crime, Group Audit and the Compensation Officer and his Deputy.

The bank has assigned a Reference Total Compensation (RTC) to eligible employees that describes a reference value for their role. This value provides employees with orientation on their FP and VC. Actual individual TC can be at, above or below the Reference Total Compensation, depending on VC decisions.

Fixed Pay is used to compensate employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role. The appropriate level of FP is determined with reference to the prevailing market rates for each role, internal comparisons and applicable regulatory requirements. FP plays a key role in order to attract and retain the right talent. For the majority of employees, FP is the primary compensation component.

Variable Compensation reflects affordability and performance at Group, divisional, and individual level. It allows the bank to differentiate individual performance and to drive behavior through appropriate incentives that can positively influence culture. It also allows for flexibility in the cost base. For most employees globally, VC is granted as Individual VC and considers the applicable divisional and the employee's individual performance, conduct, and adherence to values and beliefs. In addition, itis subject to Group affordability and linked to Group performance. Employees who are not eligible for an award of Individual VC are granted a Group VC Component and may be nominated for a Recognition Award (where applicable). The Group VC Component reflects the bank's annual achievements in reaching its strategic targets whilst Recognition Awards provide the opportunity to acknowledge and reward outstanding contributions made by the employees of lower seniority levels in a timely and transparent manner.

Key components of the compensation framework

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In the context of InstVV, **severance payments** are considered variable compensation. The bank's severance framework ensures full alignment with the respective InstVV requirements.

Employee benefits complement Total Compensation and 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.

Determination of Performance-Based Variable Compensation

The bank 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 the bank's profitability, solvency, and liquidity position, and the determination of VC pools for divisions and infrastructure functions based on their performance in support of achieving the bank's strategic objectives.

In a first step, Deutsche Bank assesses the bank's profitability, solvency and liquidity position in line with its Risk Appetite Framework, including a holistic review against the bank's multi-year strategic plan to determine what the bank "can" award in line with regulatory requirements (i.e. Group affordability). During this assessment, the bank also considers other limitations such as cost constraints. The proportion of the VC pools that is related to Group performance is determined based on the performance of a selected number of Group KPIs, such as Common Equity Tier 1 (CET 1) Capital Ratio, Cost/Income Ratio (CIR), Post-Tax Return on Tangible Equity (RoTE), ESG - Sustainable Finance Volume, Gender Diversity and Control Risk Management Grade. 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.

When assessing divisional performance, a range of considerations are referenced. Performance is assessed in the context of financial and – based on Balanced Scorecards – nonfinancial 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 Deutsche Bank'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 Variable Compensation Guiding Principles are established, which detail the factors and metrics that have to be taken into account when making Individual VC decisions. Managers 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. Generally, performance is assessed based on a one year period. However, for Management Board members of Significant Institutions, the performance across three years is taken into account.

Variable Compensation 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. Where applicable, the bank starts to defer parts of variable compensation for MRTs where VC is set at or above € 50,000 or where VC exceeds 1/3 of TC. For non-MRTs, deferrals start at higher levels of VC. MRTs are on average subject to deferral rates in excess of the minimum 40% (60% for Senior Management) as required by InstVV. For MRTs in Material Business Units (MBU) the bank applies a deferral rate of at least 50%. The VC threshold for MRTs requiring at least 60% deferral is set at € 500,000. Moreover, all employees whose FP exceeds € 500,000. Moreover, if fixed pay for these employees exceeds an amount of € 500,000, the full VC is deferred.

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

Overview on 2023 Award Types (excluding DWS Group)

Award Type	Description	Beneficiaries	Deferral Period	Period	Portion
Upfront: Cash VC	Upfront cash	All eligible employees	N/A	N/A	100% of VC, except employees with deferred awards
Upfront: Equity Upfront Award (EUA)	Upfront equity (linked to Deutsche Bank's share price over the retention period)	MRTs with VC ≥ € 50,000 or where VC exceeds 1/3 of TC Non-MRTs with deferred awards where 2023 TC > € 500,000	N/A	12 months	50% of upfront VC
Deferred: Restricted Incentive Award (RIA)	Deferred cash	All employees with deferred VC	Equal tranche vesting: MRTs: 4 years Senior Mgmt.[1]: 5 years Non-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	Equal tranche vesting: MRTs: 4 years Senior Mgmt.[1]: 5 years Non-MRTs: 3 years	12 months for MRTs	50% of deferred VC

N/A – Not applicable
[1] For the purpose of Performance Year 2023 annual awards, Senior Management is defined as DB AG MB-1 positions; voting members of Business Division Top Executive Committees; MB members of Significant Institutions; respective MB-1 positions with managerial responsibility. For the specific deferral rules for the Management Board of DB AG refer to the Compensation Report for the Management Board.

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 and performance of its employees is a key element of deferred VC. As a result, under the Management Board's oversight, all deferred awards are subject to performance conditions and forfeiture provisions as detailed below.

Overview on Deutsche Bank Group performance conditions and forfeiture provisions of Variable Compensation granted for Performance Year 2023

Provision	Description	Forfeiture
Solvency and Liquidity	– 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)	– 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
Group PBT	– If for the financial year end preceding the vesting date adjusted Group PBT is negative[1]	– 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)
Divisional PBT	– If for the financial year end preceding the vesting date adjusted Divisional PBT is negative[1]	– 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
Forfeiture Provisions[2]	– In the event of an internal policy or procedure breach, breach of any applicable laws or regulations, or a Control Failure – If any award was based on performance measures or assumptions that are later deemed to be materially inaccurate – Where a Significant Adverse Event occurs, and the Participant is considered sufficiently proximate – If forfeiture is required to comply with prevailing regulatory requirements	– Up to 100% of undelivered awards
Clawback	– In the event an InstVV 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 – in relation to a competent regulatory authority or other legal requirements	– 100% of award which has been delivered, before the second anniversary of the last vesting date for the award

[1] Considering clearly defined and governed adjustments for relevant Profit and Loss items (e.g., business restructurings; impairments of goodwill or intangibles). .
[2] Other provisions may apply as outlined in the respective plan rules.

Employee Groups with Specific Compensation Structures

For some areas of the bank, compensation structures apply that deviate, within regulatory boundaries, in some aspects from the Group Compensation Framework outlined above.

Postbank units

While generally executive staff of former Postbank follow the remuneration structure of Deutsche Bank, the compensation for any other staff in Postbank units is based on specific frameworks agreed with trade unions or with the respective workers' councils. Where no collective agreements exist, compensation is subject to individual contracts. In general, nonexecutive and tariff staff in Postbank units receive VC, but the structure and portion of VC can differ between legal entities.

DWS

The vast majority of DWS asset management entities and employees fall under AIFMD, UCITS or IFD, while a limited number of employees remain in scope of the bank's Group Compensation Framework and InstVV. DWS has established its own compensation governance, policy, and structures, as well as Risk Taker identification process in line with AIFMD/UCITS/IFD requirements. These structures and processes are aligned with InstVV where required but tailored towards the Asset Management business. Pursuant to the ESMA Guidelines, DWS's compensation strategy is designed to ensure an appropriate ratio between fixed and variable compensation.

Generally, DWS applies remuneration rules that are equivalent to the Deutsche Bank Group approach, but use DWS Group-related parameters, where possible. Notable deviations from the Group Compensation Framework include the use of share-based instruments linked to DWS shares and fund-linked instruments. These serve to improve the alignment of employee compensation with DWS' shareholders' and investors' interests.

Tariff staff

Within Deutsche Bank Group there are 17,105 tariff employees in Germany (based on full-time equivalent as of December 31, 2023). Tariff staff are either subject to a collective agreement (Tarifvertrag für das private Bankgewerbe und die öffentlichen Banken), as negotiated between trade unions and employer associations, or subject to agreements as negotiated with the respective trade unions directly. The remuneration of tariff staff is included in the quantitative disclosures in this Report.

Material Risk Taker Compensation Disclosure

For DB USA Corp, 310 employees were identified as Material Risk Takers according to InstVV for financial year 2023, compared to 281 employees for 2022. The remuneration elements for all MRTs are detailed in the table below in accordance with Section 16 InstVV and Article 450 CRR.

Remuneration for 2023 - Material Risk Takers (REM 1)

						2023
	in € m. (unless stated otherwise)[1]	Supervisory Board[2]	Management Board[3]	Senior Management[4]	Other Material Risk Takers	Group Total
Fixed Pay	Number of MRTs	0	0	15	295	310
	Total Fixed Pay	0	0	24	213	236
	of which: cash-based	0	0	24	208	231
	of which: shares or equivalent ownership interests	0	0	0	0	0
	of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0	0
	of which: other instruments	0	0	0	0	0
	of which: other forms	0	0	0	5	5
Variable Pay	Number of MRTs[5]	0	0	12	276	288
	Total Variable Pay[6]	0	0	16	146	162
	of which: cash-based	0	0	8	74	82
	of which: deferred	0	0	8	60	68
	of which: shares or equivalent ownership interests	0	0	8	71	79
	of which: deferred	0	0	8	60	68
	of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0	0
	of which: deferred	0	0	0	0	0
	of which: other instruments	0	0	0	0	0
	of which: deferred	0	0	0	0	0
	of which: other forms	0	0	0	0	0
	of which: deferred	0	0	0	0	0
	Total Pay	0	0	40	358	398

1The table may contain marginal rounding differences.
2 Supervisory Board includes the Deutsche Bank AG Supervisory Board Members.
3 Management Board includes the Management Board Members of Deutsche Bank AG.
4 Senior Management is defined as DB AG MB-1 positions and voting members of Business Division Top Executive Committees.
5 Beneficiaries only (HC reported for Supervisory Board and Management Board, FTE reported for the remaining part.
6 Variable Pay includes Deutsche Bank´s Year-end performance-based VC for 2023, Other VC and severance payments. It also includes fringe benefits awarded to Management Board Members of Deutsche Bank AG which are to be classified as variable remuneration. The table does not include new hire replacement awards for lost entitlements from previous employers (buyouts).

Guaranteed variable remuneration and severance payments - Material Risk Takers (REM 2)

	2023				
in € m. (unless stated otherwise)[1]	Supervisory Board[2]	Management Board[3]	Senior Management[4]	Other Material Risk Takers	Group Total
Guaranteed variable remuneration awards					
Number of MRTs (Headcount)	0	0	0	0	0
Total amount	0	0	0	0	0
of which: paid during financial year, not taken into account in bonus cap	0	0	0	0	0
Severance payments awarded in previous periods, paid out during financial year					
Number of MRTs (Headcount)	0	0	0	0	0
Total amount	0	0	0	0	0
Severance payments awarded during financial year					
Number of MRTs[5]	0	0	1	11	12
Total amount	0	0	0	3	3
of which: paid during financial year	0	0	0	3	3
of which: deferred	0	0	0	0	0
of which: paid during financial year, not taken into account in bonus cap	0	0	0	3	3
of which: highest payment that has been awarded to a single person	0	0	0	2	2

1 The table may contain marginal rounding differences.
2 Supervisory Board includes the Deutsche Bank AG Supervisory Board Members.
3 Management Board includes the Management Board Members of Deutsche Bank AG.
4 Senior Management is defined as DB AG MB-1 positions and voting members of Business Division Top Executive Committees.
5 Beneficiaries only (HC reported for all categories).

Deferred remuneration - Material Risk Takers (REM 3)

in € m. (unless stated otherwise)[1]	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments[5]	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
								2023
Supervisory Board[2]	0	0	0	0	0	0	0	0
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Management Board[3]	0	0	0	0	0	0	0	0
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership	0	0	0	0	0	0	0	0
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Senior management[4]	**87**	**23**	**64**	**0**	**2**	**6**	**23**	**10**
Cash-based	41	10	31	0	1	0	10	0
Shares or equivalent ownership interests	45	13	32	0	1	6	13	10
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Other Material Risk Takers	**622**	**185**	**437**	**0**	**0**	**40**	**184**	**77**
Cash-based	306	90	215	0	0	0	90	0
Shares or equivalent ownership interests	316	94	222	0	0	40	94	77
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Total amount	**708**	**208**	**501**	**0**	**2**	**46**	**207**	**87**

1 The table may contain marginal rounding differences.
2 Supervisory Board includes the Deutsche Bank AG Supervisory Board Members.
3 Management Board includes the Management Board Members of Deutsche Bank AG.
4 Senior Management is defined as DB AG MB-1 positions and voting members of Business Division Top Executive Committees.
5 Changes of value of deferred remuneration due to the changes of prices of instruments.

Remuneration of high earners – Material Risk Takers (REM 4)

Incl. Pension & severance in €	2023 Number of Employees[1]
Total Pay[2]	
1,000,000 to 1,499,999	89
1,500,000 to 1,999,999	30
2,000,000 to 2,499,999	16
2,500,000 to 2,999,999	6
3,000,000 to 3,499,999	2
3,500,000 to 3,999,999	6
4.000,000 to 4,499,999	6
4,500,000 to 4,999,999	0
5,000,000 to 5,999,999	0
6,000,000 to 6,999,999	0
7,000,000 to 7,999,999	1
Total	156

1 Comprises MRTs only (including 2023 leavers).
2 Includes all components of FP and VC (including severances). Buyouts are not included.

Compensation Awards 2023– Material Risk Takers (REM 5)

	Management Body Remuneration			Business Areas				
in € m. (unless stated otherwise)[1]	Supervisory Board[2]	Management Board[3]	Total Management Body	IB[2]	RB[2]	Corporate functions[2]	Independent internal control functions[2]	Total
Total number of Material Risk Takers[3]								**310**
of which: Management Body	0	0	0	0	0	0	0	0
of which: Senior Management[4]	0	0	0	10	1	4	0	15
of which: Other Material Risk Takers	0	0	0	244	27	16	8	295
Total Pay of Material Risk Takers	**0**	**0**	**0**	**342**	**33**	**15**	**8**	**398**
of which: variable pay[5]	0	0	0	141	15	4	2	162
of which: fixed pay	0	0	0	201	18	11	6	236

1 The table may contain marginal rounding differences.
2 Supervisory Board includes the Deutsche Bank AG Supervisory Board Members, Management Board includes the Management Board Members of Deutsche Bank AG. IB = Investment Bank; RB = Retail Banking (Private Bank and Corporate Bank); Corporate Functions include any Infrastructure function which is neither captured as a Control Function nor part of any division.
3 HC reported for Supervisory Board and Management Board, FTE reported for the remaining part.
4 Senior Management is defined as DB AG MB-1 positions and voting members of Business Division Top Executive Committees.
5 Variable Pay includes Deutsche Bank´s Year-end performance-based VC for 2023, Other VC and severance payments. It also includes fringe benefits awarded to Management Board Members of Deutsche Bank AG which are to be classified as variable remuneration. The table does not include new hire replacement awards for lost entitlements from previous employers (buyouts)