



DB USA Corporation

Pillar 3 Report as of March 31, 2024

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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. Per regulation it is not required to have Pillar 3 disclosures audited. As such the information provided in this Pillar 3 Report is unaudited.

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, we have introduced and modified disclosure tables required by the European Banking Authority (“EBA”), 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”).

Risk and Capital Performance

Exposures and Risk-weighted Assets

DB USA Corp RWA are calculated based on the U.S. Basel 3 Standardized Rules.

The information in the schedules 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 March 31, 2024.

Operational Risk RWA is not applicable for banks calculating RWA under the U.S. Basel 3 Standardized Rules.

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.

Variance Commentary (2023Q4 to 2024Q1)

The March 2024 On-balance Sheet Exposures decreased \$507 million and Off-balance sheet decreased \$843 million as compared with December 2023 with corresponding impact on RWA increased \$328 million.

Regulatory Capital:

- Regulatory Capital of \$13.2 billion remains relatively unchanged as compared to Q4 2023.
- The Common Equity Tier 1 Capital Ratio for March 2024 is 27.86%, up 6bps from December 2023. This is largely attributable to the small increase in CET1 capital balance due to the net income during Q1.

On-balance Sheet Exposures (decreased \$507 million to \$113 billion):

- \$3.3 billion decrease in security financing transactions driven by lower reverse repo balances of \$3.6 billion largely with affiliates offset by an increase in stock borrow balances of \$0.2 billion within the Investment Bank.
- Offset by, \$1.6 billion increase in trading assets driven by higher corporate securities of \$ 0.8 billion and higher securities issued by states and political subdivisions in the U.S. of \$ 0.5 billion.
- Offset by, \$1.0 billion increase in cash and balances due from depository institutions largely driven by a higher deposits of (\$0.8 billion).

Off-balance Sheet Exposures (decreased \$843 million to \$25.7 billion):

- \$1.1 billion decrease in Repo style transactions largely due to the decrease in gross balances.
- Offset by, \$0.2 billion exposure increase in unused commitments driven by loan repayments of \$0.3 billion in the Private Bank, offset by drawdowns of commitments in the Corporate Bank of \$0.1 billion.

RWA (increased \$328 million to \$37.6 billion):

- \$0.2 billion exposure increase primarily driven by an increase in ineligible collateral across reverse repos and bond borrows vs nettable counterparties subject to collateral haircut approach (\$0.4 billion), off-set by decrease in gross bond borrows against counterparties with illiquid corporate bond collateral subject to the simple approach (\$0.2 billion).

Liquidity Coverage Ratio:

The Firm's average LCR for three months ended March 31, 2024 was 187% which represents an average LCR position well above the required minimum. In comparison to the average LCR of 151% for the quarter ended December 31, 2023, this represents an increase of 36 percentage points. This change in LCR was primarily driven by a \$3.6 billion decrease in average net outflows, offset by a \$2.1 billion net decrease in average HQLA.

Basel 3 Standardized Approach Exposure Amounts by Exposure Class

in USD m.

US Basel 3 Standardized Approach	31-Dec-23	31-Mar-24	Variance
On-balance Sheet Exposures	At the end of the period	At the end of the period	
Cash and balances due from depository institutions	14,214	15,246	1,032
Securities: Available for Sale	546	528	(18)
Securities Purchased under agreements to Resell	54,452	51,104	(3,348)
Loans: Held for Sale	0	0	0
Loans: Residential mortgage exposures	2,418	2,472	54
Loans: High volatility commercial real estate exposures	0	0	0
Loans: Exposures past due 90 days or more or on nonaccrual	0	0	0
Loans: All other exposures	14,023	14,226	203
Loans: Allowance for Loan Loss	(16)	(16)	0
Trading Assets	15,570	17,299	1,729
All Other Assets: All Other	11,340	11,295	(45)
Securitization Exposures: Trading Assets	1,050	936	(114)
Total On-balance Sheet Exposures	113,597	113,090	(507)
Off-balance Sheet Exposures (Face, Notional or Other Amount)			
Financial standby letters of credit	346	346	0
Performance standby letters of credit	104	104	0
Commercial and similar letters of credit	0	0	0
Repo style transactions	22,403	21,288	(1,115)
Unused commitments: 1 year or less	65	20	(45)
Unused commitments: exceeding 1 year	1,948	2,190	242
Over-the-counter derivatives	642	603	(39)
Centrally Cleared derivatives	995	1,104	109
Unsettled Transactions	35	40	5
Total Off-balance Sheet Exposures	26,538	25,695	(843)

Figures may include rounding differences.

Basel 3 Standardized Approach Risk-weighted Assets by Exposure Class

in USD m.	For the year ended	31-Dec-23	31-Mar-24	
		At the end of the period	At the end of the period	Variance
		RWA	RWA	RWA
On-balance Sheet Exposures				
Cash and balances due from depository institutions		109	130	21
Securities: Available for Sale		25	25	0
Securities Purchased under agreements to Resell		0	0	0
Loans: Held for Sale		0	0	0
Loans: Residential mortgage exposures		1,263	1,292	29
Loans: High volatility commercial real estate exposures		0	0	0
Loans: Exposures past due 90 days or more or on nonaccrual		0	0	0
Loans: All other exposures		13,892	14,174	282
Loans: Allowance for Loan Loss		0	0	0
Trading Assets		220	184	(36)
All Other Assets		5,762	5,505	(257)
Securitization Exposures: Trading Assets		568	551	(17)
Total On-balance Sheet Exposures		21,839	21,861	22
Off-balance Sheet Exposures				
		RWA	RWA	RWA
Financial standby letters of credit		320	319	(1)
Performance standby letters of credit		52	51	(1)
Commercial and similar letters of credit		0	0	0
Repo style transactions		5,869	6,019	150
Unused commitments: 1 year or less		13	4	(9)
Unused commitments: exceeding 1 year		763	892	129
Over-the-counter derivatives		213	193	(20)
Centrally Cleared derivatives		20	22	2
Unsettled Transactions		6	5	(1)
Total Off-balance Sheet Exposures		7,256	7,505	249
Total Risk Weighted Assets, excluding Market Risk		29,095	29,366	271
Standardized Market Risk Weighted Assets		8,238	8,295	57
Total Risk Weighted Assets		37,333	37,661	328

Figures may include rounding differences.

Regulatory Capital

The calculation of DB USA Corp's regulatory capital is pursuant to the U.S. Basel 3 Standardized 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.

The Common Equity Tier 1 Capital Ratio for March 2024 is 27.86%, up 6bps from December 2023. This is largely attributable to the slight increase in CET1 capital balance due to the net income during Q1.

Regulatory Capital and Capital Ratios according to Basel 3 Capital Rules

in USD m.	31-Dec-23	31-Mar-24	Variance
	US Basel 3	US Basel 3	
Common Stock plus retained surplus, net of unearned employee stock ownership plan (ESOP) shares	23,581	23,547	(34)
Retained Earnings	(12,850)	(12,701)	149
Accumulated Other Comprehensive Income (AOCI) based on transition rules	(219)	(221)	(2)
Common Equity Tier 1 Capital, before adjustments and deductions	10,512	10,625	113
Common Equity Tier 1 Capital: Adjustments and Deductions			0
Less: Goodwill net of associated deferred tax liabilities (DTLs)	(50)	(49)	1
Less: Intangible Assets, net of associated DTL's	(58)	(58)	0
Less: Deferred Tax Assets (DTLs) that arise from net operating losses and tax credit carryforwards, net of valuation allowances	(27)	(24)	3
Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	(135)	(131)	4
Common Equity Tier 1 Capital	10,377	10,494	117
Additional Tier 1 (AT1) Capital			
Additional Tier 1 Capital instruments plus related surplus	2,705	2,705	0
Additional Tier 1 (AT1) Capital before adjustments	2,705	2,705	0
Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital	0	0	0
Additional Tier 1 (AT1) Capital	2,705	2,705	0
Tier 1 Capital (T1 = CET1 + AT1)	13,082	13,199	117
Tier 2 (T2) Capital			
Tier 2 Capital instruments plus related surplus	0	0	0
Allowance for loan and lease losses includable in Tier 2 capital	19	18	(1)
Tier 2 (T2) Capital before adjustments	19	18	(1)
Total Regulatory Adjustments to Tier 2 (T2) Capital	0	0	0
Tier 2 (T2) Capital	19	18	(1)
Total Regulatory Capital	13,101	13,217	116
Ratios			
Common Equity Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	27.80%	27.86%	
Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	35.04%	35.05%	
Total Capital Ratio (as a percentage of risk-weighted assets)	35.09%	35.09%	
Capital Conservation Buffer	23.30%	23.36%	
Leverage Ratio (as a percentage of average total consolidated assets)	9.99%	10.01%	
Supplementary Leverage Ratio	9.01%	9.09%	

Figures may include rounding differences.

Disclosure of Liquidity Requirements

Liquidity Coverage Ratio (LCR)

The 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 March 31, 2024 compared to December 31, 2023.

Please refer to page 5 for period-on-period variance commentary.

in USD m.		For the quarter ended		Average Unweighted Amount		Average Weighted Amount	
				31-Dec-23	31-Mar-24	31-Dec-23	31-Mar-24
HIGH-QUALITY LIQUID ASSETS ⁽¹⁾							
1	Total eligible high-quality liquid assets (HQLA), of which:	19,531	17,453	19,531	17,453		
2	Eligible level 1 liquid assets	19,531	17,453	19,531	17,453		
3	Eligible level 2A liquid assets	-	-	-	-		
4	Eligible level 2B I liquid assets	-	-	-	-		
CASH OUTFLOW AMOUNTS							
5	Deposit outflow from retail customers and counterparties, of which:	644	620	61	58		
6	Stable retail deposit outflow	46	48	1	1		
7	Other retail funding outflow	598	572	60	57		
8	Brokered deposit outflow	-	-	-	-		
9	Unsecured wholesale funding outflow, of which:	25,014	20,743	14,331	10,460		
10	Operational deposit outflow	11,622	11,782	2,903	2,943		
11	Non-operational funding outflow	13,308	8,858	11,345	7,417		
12	Unsecured debt outflow	84	103	83	100		
13	Secured wholesale funding and asset exchange outflow	124,139	128,990	4,433	4,844		
14	Additional outflow requirements, of which:	2,910	2,403	1,086	861		
15	Outflow related to derivative exposures and other collateral requirements	490	464	240	258		
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	2,420	1,939	846	603		
17	Other contractual funding obligation outflow	987	1,060	841	911		
18	Other contingent funding obligations outflow	-	-	-	-		
19	TOTAL CASH OUTFLOW	153,694	153,816	20,752	17,134		
CASH INFLOW AMOUNTS							
20	Secured lending and asset exchange cash inflow	132,210	133,677	4,071	4,578		
21	Retail cash inflow	88	54	44	27		
22	Unsecured wholesale cash inflow	1,566	1,700	1,281	1,355		
23	Other cash inflows, of which:	168	195	168	195		
24	Net derivative cash inflow	43	59	43	59		
25	Securities cash inflow	125	136	125	136		
26	Broker-dealer segregated account inflow	-	-	-	-		
27	Other cash inflow	-	-	-	-		
	TOTAL CASH INFLOW	134,032	135,626	5,564	6,155		
29	HQLA AMOUNT ⁽¹⁾			19,531	17,453		
30	TOTAL NET CASH OUTFLOW AMOUNT						
	EXCLUDING THE MATURITY MISMATCH ADD-ON			15,188	10,979		
31	MATURITY MISMATCH ADD-ON			-	-		
32	TOTAL NET CASH OUTFLOW AMOUNT ⁽²⁾			12,910	9,332		
33	LIQUIDITY COVERAGE RATIO (%)			151%	187%		

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

(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