Deutsche Bank

DB USA Corporation Pillar 3 Report as of September 30, 2023

Contents

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"), 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 September 30, 2023.

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 (2022YE to 2023Q3)

The September 2023 On-balance Sheet Exposures increased $7.2 billion and Off-balance sheet decreased $(3.2) billion as compared with December 2022 with corresponding impact on RWA decreased by $(1.3) billion.

Regulatory Capital:

- Regulatory Capital decreased $(0.5) billion to $12.9 billion as compared to Q4 2022.This is largely attributable to the lower CET1 capital balance down $0.5 billion as a results of repayment of the class B preferred stock during Q3.

On - Balance Sheet Exposures: (increased $7.2 billion to $110.3 billion):

- $3.2 billion increase in trading assets largely in US Treasuries within the Investment Bank.
- $4.6 billion increase in security financing transactions driven by higher reverse repo balances of $9.0 billion offset by a decrease in stock borrow balances of $4.4 billion within the Investment Bank.
- $1.4 billion increase in loans largely due to new trade finance loans within the Corporate Bank ($0.5 billion), and several new Other Loans in the Private Bank and other Business Divisions ($0.7 billion).
- Offset by $(2.9) 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 in DBTCA.

Off - Balance Sheet Exposures: (decreased $3.2 billion to $24.2 billion)

- $(3.8) billion decrease in Repo style transactions exposures largely due to the decrease in repos subject to the simple approach ($3.0 billion) and a decrease in illiquid corporate bonds ($0.9 billion).
- Offset by $0.9 billion increase in Over-the-Counter Derivatives, primarily driven by new equity options and equity index options against DBAG cleared through the Options clearing Corporation (OCC) and Centrally Cleared Derivatives mainly driven by the initial margin with OCC for new equity options and equity index options against London.

Risk Weighted Assets RWA (decreased $1.3 billion to $37.5 billion):

- The decrease was largely due to lower market risk weighted assets ($2.5 billion) driven by lower SVaR mainly from the reduction in 60-day average which reflects the addition of interest rate hedges within the Investment Bank and reduction in exposures during 60-day averaging period. This was offset by higher credit risk RWA mainly driven by loans ($1.1 billion).

Liquidity Coverage Ratio:

The Firm's average LCR for twelve months ended September 30, 2023, was 156% which represents an average LCR position well above the required minimum. In comparison to the average LCR of 141% for the year ended December 31, 2022, this represents an increase of 15 percentage points, which primarily resulted from a decrease in unsecured ($1.7 billion) and secured ($1.2 billion) funding.

Basel 3 Standardized Approach Exposure Amounts by Exposure Class

in USD m.

US Basel 3 Standardized Approach	31-Dec-22	30-Sep-23	Variance
On-balance Sheet Exposures	At the end of the period	At the end of the period	
Cash and balances due from depository institutions	17,062	14,144	(2,918)
Securities: Available for Sale	967	545	(422)
Securities Purchased under agreements to Resell	43,029	47,667	4,638
Loans: Held for Sale	0	0	0
Loans: Residential mortgage exposures	2,476	2,428	(48)
Loans: High volatility commercial real estate exposures	0	0	0
Loans: Exposures past due 90 days or more or on nonaccrual	1	0	(1)
Loans: All other exposures	11,782	13,169	1,387
Loans: Allowance for Loan Loss	(16)	(15)	1
Trading Assets	15,868	19,021	3,153
All Other Assets: All Other	11,093	12,162	1,069
Securitization Exposures: Trading Assets	864	1,214	350
Total On-balance Sheet Exposures	**103,126**	**110,335**	**7,209**
Off-balance Sheet Exposures (Face, Notional or Other Amount)			
Financial standby letters of credit	532	366	(166)
Performance standby letters of credit	52	102	50
Commercial and similar letters of credit	0	0	0
Repo style transactions	23,269	19,514	(3,755)
Unused commitments: 1 year of less	25	5	(20)
Unused commitments: exceeding 1 year	2,384	2,186	(198)
Over-the-counter derivatives	248	663	415
Centrally Cleared derivatives	845	1,339	494
Unsettled Transactions	34	36	2
Total Off-balance Sheet Exposures	**27,389**	**24,211**	**(3,178)**

Figures may include rounding differences.

Basel 3 Standardized Approach Risk-weighted Assets by Exposure Class

in USD m. For the year ended	31-Dec-22	30-Sep-23	
	At the end of the period	At the end of the period	**Variance**
On-balance Sheet Exposures	RWA	RWA	RWA
Cash and balances due from depository institutions	185	131	(54)
Securities: Available for Sale	72	26	(46)
Securities Purchased under agreements to Resell	0	0	0
Loans: Held for Sale	0	0	0
Loans: Residential mortgage exposures	1,290	1,271	(19)
Loans: High volatility commercial real estate exposures	0	0	0
Loans: Exposures past due 90 days or more or on nonaccrual	2	0	(2)
Loans: All other exposures	11,867	13,063	1,196
Loans: Allowance for Loan Loss	0	0	0
Trading Assets	205	208	3
All Other Assets	6,200	6,740	540
Securitization Exposures: Trading Assets	384	410	26
Total On-balance Sheet Exposures	**20,205**	**21,849**	**1,644**
Off-balance Sheet Exposures	RWA	RWA	RWA
Financial standby letters of credit	458	320	(138)
Performance standby letters of credit	25	50	25
Commercial and similar letters of credit	0	0	0
Repo style transactions	6,062	5,717	(345)
Unused commitments: 1 year or less	5	1	(4)
Unused commitments: exceeding 1 year	983	879	(104)
Over-the-counter derivatives	143	197	54
Centrally Cleared derivatives	17	27	10
Unsettled Transactions	58	39	(19)
Total Off-balance Sheet Exposures	**7,751**	**7,230**	**(521)**
Total Risk Weighted Assets, excluding Market Risk	**27,956**	**29,079**	**1,123**
Standardized Market Risk Weighted Assets	**10,885**	**8,431**	**(2,454)**
Total Risk Weighted Assets	**38,841**	**37,510**	**(1,331)**

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.

Regulatory Capital and Capital Ratios according to Basel 3 Capital Rules

	31-Dec-22	30-Sep-23	Variance
in USD m.	US Basel 3	US Basel 3	
Common Stock plus retained surplus, net of unearned employee stock ownership plan (ESOP) shares	23,606	23,590	(16)
Retained Earnings	(13,097)	(13,120)	(23)
Accumulated Other Comprehensive Income (AOCI) based on transition rules	(248)	(242)	6
Common Equity Tier 1 Capital, before adjustments and deductions	10,261	10,228	(33)
Common Equity Tier 1 Capital: Adjustments and Deductions			0
Less: Goodwill net of associated deferred tax liabilities (DTLs)	(50)	(50)	0
Less: Intangible Assets, net of associated DTL's	(57)	(60)	(3)
Less: Deferred Tax Assets (DTLs) that arise from net operating losses and tax credit carryforwards, net of valuation allowances	0	(10)	(10)
Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	(107)	(120)	(13)
Common Equity Tier 1 Capital	10,154	10,108	(46)
Additional Tier 1 (AT1) Capital			
Additional Tier 1 Capital instruments plus related surplus	3,205	2,724	(481)
Additional Tier 1 (AT1) Capital before adjustments	3,205	2,724	(481)
Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital	0	0	0
Additional Tier 1 (AT1) Capital	3,205	2,724	(481)
Tier 1 Capital (T1 = CET1 + AT1)	13,359	12,832	(527)
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	18	16	(2)
Tier 2 (T2) Capital before adjustments	18	16	(2)
Total Regulatory Adjustments to Tier 2 (T2) Capital	0	0	0
Tier 2 (T2) Capital	18	16	(2)
Total Regulatory Capital	13,377	12,848	(529)

Ratios		
Common Equity Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	26.14%	26.95%
Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	34.39%	34.21%
Total Capital Ratio (as a percentage of risk-weighted assets)	34.44%	34.25%
Capital Conservation Buffer	21.64%	22.45%
Leverage Ratio (as a percentage of average total consolidated assets)	10.41%	10.25%
Supplementary Leverage Ratio	9.48%	9.30%

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 September 30, 2023 compared to December 31, 2022.

Please refer to page 4 for period-on-period variance commentary.

		Average Unweighted Amount		Average Weighted Amount	
in USD m.	For the quarter ended	31-Dec-22	30-Sep-23	31-Dec-22	30-Sep-23
HIGH-QUALITY LIQUID ASSETS (1)					
1	**Total eligible high-quality liquid assets (HQLA), of which:**	**20,986**	**20,265**	**20,986**	**20,265**
2	Eligible level 1 liquid assets	20,986	20,265	20,986	20,265
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:**	**670**	**572**	**63**	**54**
6	Stable retail deposit outflow	48	45	1	1
7	Other retail funding outflow	622	527	62	53
8	Brokered deposit outflow	-	-	-	-
9	**Unsecured wholesale funding outflow, of which:**	**29,296**	**24,791**	**16,623**	**14,259**
10	Operational deposit outflow	14,168	11,177	3,539	2,792
11	Non-operational funding outflow	14,927	13,381	12,884	11,238
12	Unsecured debt outflow	201.00	233	200.00	229
13	**Secured wholesale funding and asset exchange outflow**	**104,501**	**113,373**	**4,442**	**4,232**
14	**Additional outflow requirements, of which:**	**2,802**	**2,824**	**1,298**	**1,284**
15	Outflow related to derivative exposures and other collateral requirements	309	360	250	229
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	2,493	2,464	1,048	1,055
17	**Other contractual funding obligation outflow**	**694**	**944**	**453**	**798**
18	Other contingent funding obligations outflow	-	-	-	-
19	**TOTAL CASH OUTFLOW**	**137,963**	**142,504**	**22,879**	**20,627**
CASH INFLOW AMOUNTS					
20	**Secured lending and asset exchange cash inflow**	**118,837**	**122,647**	**4,203**	**3,981**
21	**Retail cash inflow**	**29**	**9**	**15**	**5**
22	**Unsecured wholesale cash inflow**	**1,161**	**1,299**	**1,088**	**1,141**
23	**Other cash inflows, of which:**	**119**	**178**	**119**	**178**
24	Net derivative cash inflow	34	39	34	39
25	Securities cash inflow	85	139	85	139
26	Broker-dealer segregated account inflow	-	-	-	-
27	Other cash i nflow	-	-	-	-
TOTAL CASH INFLOW		**120,146**	**124,133**	**5,425**	**5,305**
29	**HQLA AMOUNT** (1)			**20,986**	**20,265**
30	**TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON**			**17,454**	**15,322**
31	**MATURITY MISMATCH ADD-ON**			**-**	**-**
32	**TOTAL NET CASH OUTFLOW AMOUNT** (2)			**14,836**	**13,024**
33	**LIQUIDITY COVERAGE RATIO (%)**			**141%**	**156%**

(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*