Deutsche Bank

DB USA Corporation Pillar 3 Report as of March 31, 2022

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"), 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, 2022.

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 (2021Q4 to 2022Q1)

The March 2022 On-balance Sheet Exposures decreased $1.2 billion and Off-balance sheet increased $1.3 billion as compared with December 2021 with corresponding impact on RWA increased $2.4 billion. RWA increased despite the net decrease in balance sheet exposures. This was due to the decrease in cash being at 0% risk weight offset mainly by an increase in loans in the 100% and 150% risk weighted buckets and Market Risk RWA due to higher securitized debt exposures.

On –balance Sheet Exposures (decreased $1.2 billion to $120.4 billion):

- ($7.1) billion decrease in cash and balances due from depository institutions is largely driven by a decrease in deposits of ($6.1 billion) and an increase in loans ($1.2 billion).
- $3.0 billion increase in security financing transactions driven by an increase in stock borrow balances of $2.5 billion and higher reverse repo balances of $0.5 billion, both within the Investment Bank due to increased client activity.
- $2.2 billion increase in all other assets driven by higher Fail-to-Deliver balances within the Investment Bank due to a shortage of particular stocks in the market in order to deliver on short sales.

Off –balance Sheet Exposures (increased $1.3 billion to $25.5 billion):

- $0.7 billion increase in Repo style transactions largely due to the increase in gross balances being with nettable counterparties.
- $0.7 increase in unsettled transactions driven by an increase in fail to deliver balances.

RWA (increased $2.4 billion to $41.6 billion):

- $1.4 billion due to higher loans with Private Bank customers ($0.7 billion) and Corporate Bank customers ($0.4 billion) all at 100% risk weight and higher loans with foreign banks ($0.2 billion) at 150% risk weight.
- $0.2 billion increase from repo style transactions driven by the higher balance sheet.
- $0.4 billion increase due to unsettled transactions driven by the increase in fail to deliver balances.
- $0.5 billion increase in Standardized Market RWA is due to higher securitized debt exposures.

Basel 3 Standardized Approach Exposure Amounts by Exposure Class

in USD m.			
US Basel 3 Standardized Approach	**31-Dec-21**	**31-Mar-22**	**Variance**
On-balance Sheet Exposures	At the end of the period	At the end of the period	
Cash and balances due from depository institutions	28,692	21,584	(7,108)
Securities: Available for Sale	1,026	999	(27)
Securities Purchased under agreements to Resell	48,378	51,380	3,002
Loans: Held for Sale	0	0	0
Loans: Residential mortgage exposures	2,598	2,484	(114)
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	10,005	11,353	1,348
Loans: Allowance for Loan Loss	(13)	(15)	(2)
Trading Assets	17,739	17,147	(592)
All Other Assets: All Other	12,341	14,501	2,160
Securitization Exposures: Trading Assets	903	996	93
Total On-balance Sheet Exposures	**121,669**	**120,429**	**(1,240)**
Off-balance Sheet Exposures (credit equivalent amount)			
Financial standby letters of credit	691	678	(13)
Performance standby letters of credit	48	46	(2)
Commercial and similar letters of credit	5	0	(5)
Repo style transactions	20,341	20,999	658
Unused commitments: 1 year of less	20	20	0
Unused commitments: exceeding 1 year	2,414	2,148	(266)
Over-the-counter derivatives	229	267	38
Centrally Cleared derivatives	185	301	116
Unsettled Transactions	262	1,018	756
Total Off-balance Sheet Exposures	**24,195**	**25,477**	**1,282**

Figures may include rounding differences.

Basel 3 Standardized Approach Risk-weighted Assets by Exposure Class

in USD m. For the year ended	31-Dec-21	31-Mar-22	
	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	198	227	29
Securities: Available for Sale	56	61	5
Securities Purchased under agreements to Resell	0	0	0
Loans: Held for Sale	0	0	0
Loans: Residential mortgage exposures	1,428	1,364	(64)
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	9,738	11,089	1,351
Loans: Allowance for Loan Loss	0	0	0
Trading Assets	38	66	28
All Other Assets	5,876	5,677	(199)
Securitization Exposures: Trading Assets	41	75	34
Total On-balance Sheet Exposures	**17,375**	**18,559**	**1,184**
Off-balance Sheet Exposures	RWA	RWA	RWA
Financial standby letters of credit	480	483	3
Performance standby letters of credit	23	22	(1)
Commercial and similar letters of credit	0	0	0
Repo style transactions	5,524	5,761	237
Unused commitments: 1 year or less	4	4	0
Unused commitments: exceeding 1 year	873	865	(8)
Over-the-counter derivatives	78	136	58
Centrally Cleared derivatives	4	6	2
Unsettled Transactions	32	392	360
Total Off-balance Sheet Exposures	**7,018**	**7,669**	**651**
Total Risk Weighted Assets, excluding Market Risk	**24,393**	**26,228**	**1,835**
Standardized Market Risk Weighted Assets	**14,818**	**15,358**	**540**
Total Risk Weighted Assets	**39,211**	**41,586**	**2,375**

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.

Variance Commentary (2021Q4 to 2022Q1)

The Common Equity Tier 1 Capital Ratio for March 2022 is 25.22%, down 150bps from December 2021. This is largely attributable to the rise in RWA quarter over quarter as described on page 4. CET1 capital balance remained relatively unchanged.

Regulatory Capital and Capital Ratios according to Basel 3 Capital Rules

in USD m.	31-Dec-21 US Basel 3	31-Mar-22 US Basel 3	Variance
Common Stock plus retained surplus, net of unearned employee stock ownership plan (ESOP) shares	23,678	23,684	6
Retained Earnings	(12,873)	(12,866)	7
Accumulated Other Comprehensive Income (AOCI) based on transition rules	(212)	(223)	(11)
Common Equity Tier 1 Capital, before adjustments and deductions	10,593	10,595	2
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	(65)	(58)	7
Less: Deferred Tax Assets (DTLs) that arise from net operating losses and tax credit carryforwards, net of valuation allowances	0	0	0
Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	(115)	(108)	7
Common Equity Tier 1 Capital	10,478	10,487	9
Additional Tier 1 (AT1) Capital			
Additional Tier 1 Capital instruments plus related surplus	3,147	3,147	0
Additional Tier 1 (AT1) Capital before adjustments	3,147	3,147	0
Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital	(21)	(1)	20
Additional Tier 1 (AT1) Capital	3,126	3,146	20
Tier 1 Capital (T1 = CET1 + AT1)	13,604	13,633	29
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	17	17	0
Tier 2 (T2) Capital before adjustments	17	17	0
Total Regulatory Adjustments to Tier 2 (T2) Capital	0	0	0
Tier 2 (T2) Capital	17	17	0
Total Regulatory Capital	13,621	13,650	29

Ratios		
Common Equity Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	26.72%	25.22%
Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	34.69%	32.78%
Total Capital Ratio (as a percentage of risk-weighted assets)	34.74%	32.82%
Capital Conservation Buffer	22.22%	20.72%
Leverage Ratio (as a percentage of average total consolidated assets)	9.98%	10.23%
Supplementary Leverage Ratio	9.14%	9.31%

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, 2022 compared to December 31, 2021.

		Average Unweighted Amount				Average Weighted Amount			
in USD m.	For the quarter ended	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22
HIGH-QUALITY LIQUID ASSETS (1)									
1	**Total eligible high-quality liquid assets (HQLA), of which:**	**22,867**	**22,297**	**24,623**	**24,601**	**22,867**	**22,297**	**24,623**	**24,601**
2	Eligible level 1 liquid assets	22,867	22,297	24,623	24,601	22,867	22,297	24,623	24,601
3	Eligible level 2A liquid assets	-	-	-	-	-		-	-
4	Eligible level 2B liquid assets	-	-	-	-	-		-	-
CASH OUTFLOW AMOUNTS									
5	**Deposit outflow from retail customers and counterparties, of which:**	**866**	**871**	**1,048**	**977**	**208**	**169**	**100**	**93**
6	Stable retail deposit outflow	71	71	70	66	2	2	2	2
7	Other retail funding outflow	374	510	978	911	37	51	98	91
8	Brokered deposit outflow	421.00	290.00	-	-	169	116	-	-
9	**Unsecured wholesale funding outflow, of which:**	**27,754**	**30,141**	**33,511**	**30,362**	**14,383**	**15,366**	**17,636**	**15,948**
10	Operational deposit outflow	14,917	16,611	17,774	15,765	3,727	4,151	4,441	3,939
11	Non-operational funding outflow	12,837	13,530	15,737	14,597	10,656	11,215	13,195	12,009
12	Unsecured debt outflow	-	-	-	-	-		-	-
13	**Secured wholesale funding and asset exchange outflow**	**92,357**	**113,084**	**112,495**	**115,105**	**6,821**	**8,056**	**6,123**	**5,428**
14	**Additional outflow requirements, of which:**	**7,396**	**6,138**	**6,335**	**6,048**	**2,336**	**2,171**	**2,146**	**2,028**
15	Outflow related to derivative exposures and other collateral requirements	4,781	3,494	3,551	3,331	1,187	924	931	894
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	2,615	2,644	2,784	2,717	1,149	1,247	1,215	1,134
17	**Other contractual funding obligation outflow**	**1**	**1**	**35**	**47**	**1**	**1**	**35**	**47**
18	Other contingent funding obligations outflow	-	-	-	-	-	-	-	-
19	**TOTAL CASH OUTFLOW**	**128,374**	**150,235**	**153,424**	**152,539**	**23,749**	**25,763**	**26,040**	**23,544**
CASH INFLOW AMOUNTS									
20	**Secured lending and asset exchange cash inflow**	**106,694**	**126,883**	**125,984**	**129,822**	**7,944**	**8,275**	**6,437**	**6,280**
21	**Retail cash inflow**	**29**	**31**	**17**	**19**	**14**	**16**	**9**	**10**
22	**Unsecured wholesale cash inflow**	**1,447**	**1,261**	**1,134**	**1,267**	**1,440**	**1,247**	**1,128**	**1,256**
23	**Other cash inflows, of which:**	**14**	**25**	**37**	**53**	**14**	**25**	**37**	**53**
24	Net derivative cash inflow	1		7	13	1		7	13
25	Securities cash inflow	13	25	30	40	13	25	30	40
26	Broker-dealer segregated account inflow	-	-	-	-	-	-	-	-
27	Other cash inflow	-	-	-	-	-	-	-	-
TOTAL CASH INFLOW		**108,184**	**128,200**	**127,172**	**131,161**	**9,412**	**9,563**	**7,611**	**7,599**
29	**HQLA AMOUNT (1)**					**22,867**	**22,297**	**24,623**	**24,601**
30	**TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON**					**14,337**	**16,200**	**18,429**	**15,945**
31	**MATURITY MISMATCH ADD-ON**					**63**	**80**	**56**	**15**
32	**TOTAL NET CASH OUTFLOW AMOUNT (2)**					**12,240**	**13,838**	**15,712**	**13,566**
33	**LIQUIDITY COVERAGE RATIO (%)**					**187%**	**161%**	**157%**	**181%**

(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*