Deutsche Bank

# DB USA Corporation Pillar 3 Report as of June 30, 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. 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 June 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 2023Q2)

The June 2023 On-balance Sheet Exposures increased $5.3 billion and Off-balance sheet decreased $(2.5) billion as compared with December 2022 with corresponding impact on RWA decreased by $(474) million.

Regulatory Capital:

- Regulatory Capital of $13.6 billion remains relatively unchanged as compared to Q4 2022.

On - Balance Sheet Exposures: (increased $5.4 billion to $108.5 billion):

- $(3.4) 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.
- $1.7 billion increase in trading assets in US Treasuries driven by client demand and hedging activity within the Investment Bank.
- $5.3 billion increase in security financing transactions driven by higher reverse repo balances of $8.2 billion offset by a decrease in stock borrow balances of $2.9 billion within the Investment Bank.
- $1.0 billion increase in loans largely due to new trade finance loans within the Corporate Bank ($0.4 billion), and several new Other Loans in the Private Bank and other Business Divisions ($0.6 billion).

Off - Balance Sheet Exposures: (decreased $2.5 billion to $24.7 billion)

- $4.1 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).
- $1.9 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 $3.0 billion to $35.9 billion):

- The decrease was largely due to lower market risk weighted assets ($3.5 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.

Supplementary Leverage Ratio:

DB USA Corp's SLR decreased 0.10% to 9.38% as of June 2023 compared with December 2022. The decrease was largely due to the increase in leverage exposure of $3.8 billion due higher repo-style transactions exposures ($6.0 billion) offset by a decrease in average on-balance sheet exposures ($2.2 billion).

Liquidity Coverage Ratio:

The Firm's average LCR for twelve months ended June 30, 2023, was 147% 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 6 percentage points, which primarily resulted from a decrease in unsecured funding of $1.4 billion.

## Basel 3 Standardized Approach Exposure Amounts by Exposure Class

in USD m.

| **US Basel 3 Standardized Approach** | **31-Dec-22** | **30-Jun-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 | 13,624 | (3,438) |
| Securities: Available for Sale | 967 | 819 | (148) |
| Securities Purchased under agreements to Resell | 43,029 | 48,307 | 5,278 |
| Loans: Held for Sale | 0 | 0 | 0 |
| Loans: Residential mortgage exposures | 2,476 | 2,404 | (72) |
| 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 | 12,794 | 1,012 |
| Loans: Allowance for Loan Loss | (16) | (18) | (2) |
| Trading Assets | 15,868 | 17,586 | 1,718 |
| All Other Assets: All Other | 11,093 | 11,773 | 680 |
| Securitization Exposures: Trading Assets | 864 | 1,208 | 344 |
| **Total On-balance Sheet Exposures** | **103,126** | **108,497** | **5,371** |
| Off-balance Sheet Exposures (Face, Notional or Other Amount) | | | |
| Financial standby letters of credit | 532 | 369 | (163) |
| Performance standby letters of credit | 52 | 56 | 4 |
| Commercial and similar letters of credit | 0 | 0 | 0 |
| Repo style transactions | 23,269 | 19,120 | (4,149) |
| Unused commitments: 1 year of less | 25 | 0 | (25) |
| Unused commitments: exceeding 1 year | 2,384 | 2,276 | (108) |
| Over-the-counter derivatives | 248 | 1,311 | 1,063 |
| Centrally Cleared derivatives | 845 | 1,636 | 791 |
| Unsettled Transactions | 34 | 28 | (6) |
| **Total Off-balance Sheet Exposures** | **27,389** | **24,796** | **(2,593)** |

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-Jun-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 | 179 | (6) |
| Securities: Available for Sale | 72 | 25 | (47) |
| Securities Purchased under agreements to Resell | 0 | 0 | 0 |
| Loans: Held for Sale | 0 | 0 | 0 |
| Loans: Residential mortgage exposures | 1,290 | 1,251 | (39) |
| 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 | 12,798 | 931 |
| Loans: Allowance for Loan Loss | 0 | 0 | 0 |
| Trading Assets | 205 | 246 | 41 |
| All Other Assets | 6,200 | 6,397 | 197 |
| Securitization Exposures: Trading Assets | 384 | 251 | (133) |
| **Total On-balance Sheet Exposures** | **20,205** | **21,147** | **942** |
| Off-balance Sheet Exposures | RWA | RWA | RWA |
| Financial standby letters of credit | 458 | 325 | (133) |
| Performance standby letters of credit | 25 | 27 | 2 |
| Commercial and similar letters of credit | 0 | 0 | 0 |
| Repo style transactions | 6,062 | 5,627 | (435) |
| Unused commitments: 1 year or less | 5 | 0 | (5) |
| Unused commitments: exceeding 1 year | 983 | 924 | (59) |
| Over-the-counter derivatives | 143 | 341 | 198 |
| Centrally Cleared derivatives | 17 | 33 | 16 |
| Unsettled Transactions | 58 | 0 | (58) |
| **Total Off-balance Sheet Exposures** | **7,751** | **7,277** | **(474)** |
| **Total Risk Weighted Assets, excluding Market Risk** | **27,956** | **28,423** | **467** |
| **Standardized Market Risk Weighted Assets** | **10,885** | **7,427** | **(3,458)** |
| **Total Risk Weighted Assets** | **38,841** | **35,850** | **(2,991)** |

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-Jun-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 | 23,598 | (8) |
| Retained Earnings | (13,097) | (12,893) | 204 |
| Accumulated Other Comprehensive Income (AOCI) based on transition rules | (248) | (228) | 20 |
| Common Equity Tier 1 Capital, before adjustments and deductions | 10,261 | 10,477 | 216 |
| 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) | (59) | (2) |
| 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) | (107) | (109) | (2) |
| **Common Equity Tier 1 Capital** | 10,154 | 10,368 | 214 |
| Additional Tier 1 (AT1) Capital | | | |
| Additional Tier 1 Capital instruments plus related surplus | 3,205 | 3,205 | 0 |
| Additional Tier 1 (AT1) Capital before adjustments | 3,205 | 3,205 | 0 |
| Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital | 0 | 6 | 6 |
| **Additional Tier 1 (AT1) Capital** | 3,205 | 3,199 | (6) |
| **Tier 1 Capital (T1 = CET1 + AT1)** | 13,359 | 13,567 | 208 |
| 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 | 20 | 2 |
| Tier 2 (T2) Capital before adjustments | 18 | 20 | 2 |
| Total Regulatory Adjustments to Tier 2 (T2) Capital | 0 | 0 | 0 |
| **Tier 2 (T2) Capital** | 18 | 20 | 2 |
| **Total Regulatory Capital** | 13,377 | 13,587 | 210 |

| **Ratios** | | |
|---|---|---|
| Common Equity Tier 1 Capital Ratio (as a percentage of risk-weighted assets) | 26.14% | 28.92% |
| Tier 1 Capital Ratio (as a percentage of risk-weighted assets) | 34.39% | 37.84% |
| Total Capital Ratio (as a percentage of risk-weighted assets) | 34.44% | 37.90% |
| Capital Conservation Buffer | 21.64% | 24.42% |
| Leverage Ratio (as a percentage of average total consolidated assets) | 10.41% | 10.23% |
| Supplementary Leverage Ratio | 9.48% | 9.38% |

# 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 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.

Further to the Federal Reserve Bank Tailoring Rules, DB USA meets the definition of a Category III IHC. Additionally, 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, to support lending and economic activity more broadly.

As announced in December 2020, 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.

# 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 granular. In either case, when comparing the financial 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 June 30, 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.

| | 30-Jun-23 | | | | | |
|---|---|---|---|---|---|---|
| | | Presentation Differences | | | | |
| in USD m. | Financial Balance Sheet | Non-Trading Equity Securities | Non-Trading Interest Rate Swaps | Equity Sec without readily determinable FV | Total | Regulatory Balance Sheet |
| **Assets** | | | | | | |
| Cash and cash equivalents | 13,624 | - | - | - | - | 13,624 |
| Securities: Available for Sale | 812 | 64 | - | (56) | 7 | 819 |
| Collateralized agreements and financings | 48,307 | - | - | - | - | 48,307 |
| Loans, net of allowance for loan losses | 15,180 | - | - | - | 0 | 15,180 |
| Financial instruments owned, at fair value | 19,338 | (64) | (481) | - | (544) | 18,794 |
| Other assets | 11,237 | - | 481 | 56 | 537 | 11,774 |
| **Total assets** | 108,497 | - | - | - | - | 108,497 |
| **Liabilities and Stockholders' Equity** | | | | | | |
| Deposits | 20,089 | - | - | - | - | 20,089 |
| Collateralized agreements and financing: | 32,057 | - | - | - | - | 32,057 |
| Financial instruments sold, but not yet purchased, at fair value | 11,374 | - | (687) | - | (687) | 10,687 |
| Borrowings | 16,518 | - | - | - | - | 16,518 |
| Other liabilities | 14,775 | - | 687 | - | 687 | 15,462 |
| **Total liabilities** | 94,812 | - | - | - | - | 94,812 |
| **Stockholders' Equity** | | | | | | |
| Preferred stock | 3,205 | - | - | - | - | 3,205 |
| Common stock, par value $1.00 per share. 2,000 shares | 0 | - | - | - | - | 0 |
| Additional paid-in capital | 23,598 | - | - | - | - | 23,598 |
| Accumulated deficit | (12,893) | - | - | - | - | (12,893) |
| Accumulated other comprehensive income (loss) | (228) | - | - | - | - | (228) |
| Minority Interest | 3 | - | - | - | - | 3 |
| **Total stockholders' Equity** | 13,685 | - | - | - | - | 13,685 |
| **Total liabilities and stockholder's equity** | 108,497 | - | - | - | - | 108,497 |

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.

- Equity Securities without readily determinable fair value: Under US GAAP guidance, equity securities at Fair Value are considered Financial Instruments Owned at Fair Value for US GAAP financial reporting purposes. Per the FR Y-9C where the fair value is not consider readily determinable, the equity securities must be recorded under Other Assets.

# 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.

## Gross Exposure by Asset Class and Geographical Region

| in USD m. | 30-Jun-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 | 13,456 | 136 | 7 | 0 | 25 | 0 | 13,624 |
| Securities: Available for Sale | 819 | 0 | 0 | 0 | 0 | 0 | 819 |
| Loans | 13,423 | 424 | 899 | 264 | 189 | 0 | 15,198 |
| Trading Assets | 371 | 5 | 0 | 14 | 0 | 4 | 394 |
| Other Assets | 3,467 | 967 | 0 | 3,444 | 30 | 3 | 7,911 |
| Total On-balance Sheet Exposures | 31,536 | 1,532 | 905 | 3,722 | 244 | 7 | 37,946 |
| Off-balance Sheet Exposures | | | | | | | Amount Subject to RWA |
| Letters of credit | 378 | 0 | 0 | 18 | 0 | 0 | 397 |
| Repo style transactions | 9,953 | 4,102 | 171 | 273 | 4,621 | 0 | 19,120 |
| Unused commitments | 920 | 131 | 0 | 71 | 16 | 0 | 1,139 |
| Derivatives | 655 | 2,210 | 0 | 75 | 7 | 0 | 2,947 |
| Unsettled Transactions | 2 | 26 | 0 | 0 | 0 | 0 | 27 |
| Total Off-balance Sheet Exposures | 11,909 | 6,469 | 171 | 438 | 4,644 | 0 | 23,630 |
| **Grand Total** | 43,445 | 8,002 | 1,077 | 4,159 | 4,888 | 7 | 61,576 |

| 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 |

## Gross Exposure by Asset Class and Residual Maturity

| in USD m | 30-Jun-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 | 13,624 | 0 | - | - | - | 13,624 |
| Securities: Available for Sale | 261 | 82 | 74 | 403 | - | 819 |
| Loans | 631 | 3,728 | 2,980 | 4,313 | 3,546 | 15,198 |
| Trading Assets | - | - | 8 | 178 | 207 | 394 |
| Other Assets | 5,327 | 499 | 43 | 1,835 | 207 | 7,911 |
| Total On-balance Sheet Exposures | 19,843 | 4,309 | 3,105 | 6,729 | 3,960 | 37,946 |
| | | | | | | |
| Letters of credit | - | 361 | 9 | 22 | 5 | 397 |
| Repo-Style transactions | 14,885 | 3,904 | 5 | 80 | 246 | 19,120 |
| Unused Commitments | 221 | 422 | 106 | 279 | 110 | 1,139 |
| Derivatives | 698 | 1,095 | 113 | 298 | 744 | 2,947 |
| Unsettled | - | - | - | 27 | - | 27 |
| Total Off-balance Sheet Exposures | 15,804 | 5,782 | 233 | 706 | 1,105 | 23,630 |
| **Grand Total** | 35,647 | 10,091 | 3,338 | 7,435 | 5,065 | 61,576 |

| 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 | 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 |

## Gross Exposure by Asset Class and Industry

| in USD m | 30-Jun-23 | | | | | |
|---|---|---|---|---|---|---|
| | Public institutions | Banks and other financial institutions | Corporations | Retail | Other | Amount Subject to RWA |
| Cash and balances due from depository institutions | 12,862 | 757 | - | - | 6 | 13,624 |
| Securities: Available for Sale | 725 | 94 | 0 | - | - | 819 |
| Loans | 484 | 4,842 | 2,487 | 3,265 | 4,120 | 15,198 |
| Trading Assets | 66 | 156 | 29 | 10 | 132 | 394 |
| Other Assets | 276 | 4,864 | 484 | 20 | 2,267 | 7,911 |
| Total On-balance Sheet Exposures | 14,411 | 10,714 | 3,000 | 3,295 | 6,525 | 37,946 |
| | | | | | | |
| Letters of credit | 3 | 259 | 34 | 98 | 2 | 397 |
| Repo-Style transactions | 5,739 | 13,194 | 150 | - | 38 | 19,120 |
| Unused Commitments | 110 | 627 | 95 | 218 | 89 | 1,139 |
| Derivatives | 974 | 1,973 | - | - | | 2,947 |
| Unsettled | 0 | 27 | 0 | - | - | 27 |
| Total Off-balance Sheet Exposures | 6,826 | 16,080 | 279 | 316 | 129 | 23,630 |
| **Grand Total** | 21,237 | 26,794 | 3,280 | 3,611 | 6,654 | 61,576 |

| 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 | 66,248 |

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

| in USD m. | 30-Jun-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 | 179 | 13,624 | 13,624 | 12,812 | 0 | 0 | 0 | 791 | 0 | 21 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Securities: Available for Sale | 25 | 819 | 819 | 723 | 0 | 0 | 0 | 89 | 0 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Securities Purchased under agreements to Resell | 0 | 48,307 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans: Residential mortgage exposures | 1,251 | 2,404 | 2,404 | 1 | 0 | 0 | 0 | 0 | 2,304 | 99 | 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 | 12,798 | 12,794 | 12,794 | 78 | 0 | 0 | 0 | 404 | 149 | 11,203 | 960 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans: Allowance for Loan Loss | 0 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trading Assets | 246 | 17,586 | 314 | 66 | 0 | 0 | 0 | 3 | 0 | 245 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| All Other Assets: All Other | 6,397 | 11,773 | 7,911 | 177 | 0 | 0 | 0 | 4,388 | 3 | 1,752 | 5 | 1,480 | 0 | 0 | 0 | 0 | 0 | 0 | 106 | 58 |
| Securitization Exposures: Trading Assets[1] | 251 | 1,208 | 80 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 80 | 251 |
| **Total On-balance Sheet Exposures** | **21,147** | **108,497** | **37,946** | **13,857** | **0** | **0** | **0** | **5,675** | **2,456** | **13,327** | **965** | **1,480** | **0** | **0** | **0** | **0** | **0** | **0** | **186** | **309** |
| 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 | 325 | 369 | 369 | 40 | 0 | 0 | 0 | 4 | 1 | 324 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Performance standby letters of credit | 27 | 56 | 28 | 0 | 0 | 0 | 0 | 1 | 1 | 26 | 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 | 5,627 | 19,120 | 19,120 | 9,269 | 1,380 | 0 | 0 | 3,390 | 320 | 4,761 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unused commitments: 1 year of less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unused commitments: exceeding 1 year | 924 | 2,276 | 1,139 | 84 | 0 | 0 | 0 | 106 | 91 | 857 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Over-the-counter derivatives | 341 | 1,311 | 1,311 | 0 | 0 | 0 | 0 | 1,213 | 0 | 98 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Centrally Cleared derivatives | 33 | 1,636 | 1,636 | 0 | 1,636 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unsettled Transactions | 0 | 28 | 27 | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Off-balance Sheet Exposures** | **7,276** | **24,796** | **23,630** | **9,421** | **3,016** | **0** | **0** | **4,714** | **413** | **6,066** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total Risk Weighted Assets, excluding Market Risk** | **28,423** | | **28,423** | **0** | **60** | **0** | **0** | **2,078** | **1,435** | **19,393** | **1,448** | **3,700** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **309** |
| **Standardized Market Risk Weighted Assets** | **7,427** | | | | | | | | | | | | | | | | | | | |
| **Total Risk Weighted Assets** | **35,850** | | | | | | | | | | | | | | | | | | | |

| 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** | | | | | | | | | | | | | | | | | | | |

# Credit Risk and Credit Risk Mitigation

Most credit risk mitigation techniques are applied to secured financing transactions (SFT) and derivatives. Credit risk mitigation techniques for 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. Basel 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 (SFT)

| | | 30-Jun-23 | | | | |
|---|---|---|---|---|---|---|
| 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) |
| **Assets:** | | | | | | |
| Collateralized agreements and financings: | | | | | | |
| Securities purchased under agreements to resell | | 104,631 | (69,570) | 35,061 | (35,061) | - |
| Securities borrowed | | 15,871 | (2,625) | 13,246 | — | 13,246 |
| Total | $ | 120,502 | (72,195) | 48,307 | (35,061) | 13,246 |
| **Liabilities:** | | | | | | |
| Collateralized agreements and financings: | | | | | | |
| Securities sold under agreements to repurchase | | 101,565 | (69,570) | 31,995 | (31,995) | - |
| Securities loaned | | 2,687 | (2,625) | 62 | (62) | - |
| Total | $ | 104,252 | (72,195) | 32,057 | (32,057) | - |

| | | 31-Dec-22 | | | | |
|---|---|---|---|---|---|---|
| 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) |
| **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.
(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

| | 30-Jun-23 | | | | |
|---|---|---|---|---|---|
| | Fair value | | Notional Amount | | |
| in USD m. | Assets | Liabilities | Exchange - traded | OTC | Total |
| Contract type | | | | | |
| Interest rate contracts | 566 | 715 | 10,449 | 31,056 | 41,505 |
| Credit contracts | - | - | - | - | - |
| Equity contracts | 1 | - | 229 | - | 229 |
| Other contracts | 1 | 1 | - | 3,284 | 3,284 |
| Total gross derivatives | 568 | 716 | 10,678 | 34,340 | 45,018 |
| | - | - | | | |
| Less: Counterparty netting (1) | (5) | (5) | | | |
| Net amounts presented in statement of financial condition | 563 | 711 | | | |
| Less: Cash collateral received/posted | (26) | - | | | |
| Net derivative | 537 | 711 | | | |

(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 | | | |

# 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.

# Variance Commentary (2022YE to 2023Q2)

Impaired loans decreased $8 million as of June 30, 2023, compared with December 31, 2022. The decrease is primarily attributed to the repayment of nonaccrual loans. Past due loans reported by DB USA Corp as of June 2023 are $34 million, up from $16 million in December 2022.

The Loan Loss Allowance increased $2 million as of June 30, 2023, compared with December 31, 2022. The reason for the increase is due to an increase in the CECL provision in Q2 2023 which was driven by a less optimistic outlook for key US macro indicators, narrowing credit spreads, and oil prices.

The Specific Loan Loss Allowance was zero for June 30, 2023, and December 31, 2022.

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

| | 31-Dec-22 | | | 30-Jun-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% | 29 | 18 | 62% |
| Total | 37 | 16 | 43% | 29 | 18 | 62% |

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

| | 31-Dec-22 | | | 30-Jun-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% | 29 | 18 | 62% |
| Total | 37 | 16 | 43% | 29 | 18 | 62% |

## Development of impaired loans

| | 31-Dec-22 | 30-Jun-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 | 5 |
| Transferred to not impaired during the year | - | (3) |
| Charge Offs | (1) | - |
| Disposal of impaired loans | (16) | (4) |
| Paydowns | (26) | (6) |
| **Balance, end of the year** | **37** | **29** |

# 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 starting in 2018. 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 | 30-Jun-23 |
|---|---|---|
| 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 | 61,319 |
| Deductions from common equity tier 1 capital and additional tier 1 capital (report as a positive amount) | 107 | 115 |
| Adjustments for deductions of qualifying central bank deposits for custodial banking organisations | 0 | 0 |
| **Total on-balance sheet exposures (item 2.1 minus item 2.2)** | **63,371** | **61,204** |
| | | |
| Replacement cost for all derivative transactions | 227 | 1,169 |
| Add-on amounts for potential future exposure (PFE) for all derivative transactions | 2,518 | 3,709 |
| Gross-up for collateral posted in derivative transactions if collateral is deducted from on-balance sheet assets | 0 | 0 |
| Deduction of receivable assets for qualifying cash variation margin posted in derivative transactions (report as a positive amount) | 0 | 0 |
| Exempted exposures to central counterparties (CCPs) in cleared transactions (report as a positive amount) | 1,383 | 2,197 |
| Adjusted effective notional principal amount of sold credit protection | 0 | 0 |
| Adjusted effective notional principal amount offsets and PFE deductions for sold credit protection (report as a positive amount) | 0 | 0 |
| **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** | **2,681** |
| | | |
| Gross assets for repo-style transactions, with no recognition of netting | 135,900 | 140,035 |
| Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions (report as a positive value) | 70,937 | 69,074 |
| Counterparty credit risk for all repo-style transactions | 899 | 950 |
| Exposure amount for repo-style transactions where an institution acts as an agent | 0 | 0 |
| **Total exposures for repo-style transactions (sum of items 2.12, 2.14, and 2.15, minus item 2.13)** | **65,862** | **71,911** |
| | | |
| Off-balance sheet exposures at gross notional amounts | 31,816 | 27,380 |
| Adjustments for conversion to credit equivalent amounts (report as a positive amount) | 21,474 | 18,474 |
| **Total off-balance sheet exposures (item 2.17 minus item 2.18)** | **10,342** | **8,906** |
| | | |
| **Tier 1 capital (from Schedule A, item 45)** | **13,359** | **13,567** |
| **Total leverage exposure (sum of items 2.3, 2.11, 2.16, and 2.19)** | **140,937** | **144,702** |
| **Supplementary leverage ratio (item 2.20 divided by item 2.21)** | **9.4787%** | **9.3758%** |

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

# 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 June 30, 2023 compared to December 31, 2022.

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

| in USD m. | For the quarter ended | Average Unweighted Amount 31-Dec-22 | Average Unweighted Amount 30-Jun-23 | Average Weighted Amount 31-Dec-22 | Average Weighted Amount 30-Jun-23 |
|---|---|---|---|---|---|
| **HIGH-QUALITY LIQUID ASSETS** (1) | | | | | |
| 1 | **Total eligible high-quality liquid assets (HQLA), of which:** | **20,986** | **20,610** | **20,986** | **20,610** |
| 2 | Eligible level 1 liquid assets | 20,986 | 20,610 | 20,986 | 20,610 |
| 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** | **658** | **63** | **62** |
| 6 | Stable retail deposit outflow | 48 | 49 | 1 | 1 |
| 7 | Other retail funding outflow | 622 | 609 | 62 | 61 |
| 8 | Brokered deposit outflow | | - | - | - |
| 9 | **Unsecured wholesale funding outflow, of which:** | **29,296** | **25,761** | **16,623** | **15,228** |
| 10 | Operational deposit outflow | 14,168 | 11,995 | 3,539 | 2,996 |
| 11 | Non-operational funding outflow | 14,927 | 13,580 | 12,884 | 12,047 |
| 12 | Unsecured debt outflow | 201 | 186 | 200 | 185 |
| 13 | **Secured wholesale funding and asset exchange outflow** | **104,501** | **112,045** | **4,442** | **4,468** |
| 14 | **Additional outflow requirements, of which:** | **2,802** | **3,092** | **1,298** | **1,387** |
| 15 | Outflow related to derivative exposures and other collateral requirements | 309 | 365 | 250 | 264 |
| 16 | Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments | 2,493 | 2,727 | 1,048 | 1,123 |
| 17 | **Other contractual funding obligation outflow** | **694** | **930** | **453** | **756** |
| 18 | Other contingent funding obligations outflow | | - | - | - |
| 19 | **TOTAL CASH OUTFLOW** | **137,963** | **142,486** | **22,879** | **21,901** |
| **CASH INFLOW AMOUNTS** | | | | | |
| 20 | **Secured lending and asset exchange cash inflow** | **118,837** | **122,949** | **4,203** | **4,269** |
| 21 | **Retail cash inflow** | **29** | **52** | **15** | **26** |
| 22 | **Unsecured wholesale cash inflow** | **1,161** | **1,037** | **1,088** | **987** |
| 23 | **Other cash inflows, of which:** | **119** | **163** | **119** | **163** |
| 24 | Net derivative cash inflow | 34 | 37 | 34 | 37 |
| 25 | Securities cash inflow | 85 | 126 | 85 | 126 |
| 26 | Broker-dealer segregated account inflow | | - | - | - |
| 27 | Other cash i nflow | | - | - | - |
| **TOTAL CASH INFLOW** | | **120,146** | **124,201** | **5,425** | **5,445** |
| 29 | **HQLA AMOUNT** (1) | | | **20,986** | **20,610** |
| 30 | **TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON** | | | **17,454** | **16,456** |
| 31 | **MATURITY MISMATCH ADD-ON** | | | **-** | **-** |
| 32 | **TOTAL NET CASH OUTFLOW AMOUNT** (2) | | | **14,836** | **13,988** |
| 33 | **LIQUIDITY COVERAGE RATIO (%)** | | | **141%** | **147%** |

(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 Net Stable Funding Ratio (NSFR)

The NSFR requires banks to maintain a stable funding profile in relation to their 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 1Q 2023 and 2Q 2023.

| | | | | | | | June 30,2023 |
|---|---|---|---|---|---|---|---|
| | Unweighted and weighted averages | | | | | | |
| in USD m. | No maturity | Open Maturity | < 6 months | 6 months to < 1 year | >= 1 year | Perpetual | Weighted Amount |
| **Available stable funding (ASF) items** | | | | | | | |
| Capital and Securities:[1] | - | - | - | - | - | 13,646 | 13,646 |
| NSFR regulatory capital elements | - | - | - | - | - | 13,646 | 13,646 |
| Other capital elements and securities | - | - | - | - | - | - | - |
| Retail Funding: | - | 651 | 7 | - | - | - | 594 |
| Stable Deposits | - | 49 | - | - | - | - | 46 |
| Less stable deposits | - | 602 | 7 | - | - | - | 548 |
| Sweep deposits, brokered reciprocal deposits, and brokered deposits | - | - | - | - | - | - | - |
| Other retail funding | - | - | - | - | - | - | - |
| Wholesale funding: | - | 32,212 | 63,653 | 3,040 | 7,069 | - | 15,481 |
| Operational deposits | - | 11,994 | - | - | - | - | 5,998 |
| Other wholesale funding | - | 20,218 | 63,653 | 3,040 | 7,069 | - | 9,483 |
| Other liabilities[1, 2] | 1,244 | - | 1,550 | 255 | 2,795 | - | - |
| NSFR derivatives liability amount | - | - | - | - | - | - | - |
| Total derivatives liability amount | 1,244 | - | - | - | - | - | - |
| All other liabilities not included in the above categories | - | - | 1550 | 255 | 2,795 | - | - |
| ASF trapped at subsidiaries | - | - | - | - | - | - | - |
| Total available stable funding ASF) | - | - | - | - | - | - | **29,721** |
| **Required stable funding (RSF) Items** | | | | | | | |
| Total high-quality liquid assets (HQLA) | - | 33,024 | 2,227 | 688 | 20,597 | - | 54 |
| Level 1 liquid assets | - | 32,839 | 2,224 | 688 | 20,597 | - | 25 |
| Level 2A liquid assets | - | 185 | 3 | - | - | - | 28 |
| Level 2B liquid assets | - | - | - | - | - | - | - |
| Zero percent RSF assets that are not level 1 liquid assets | - | 60 | 33 | 4 | 109 | - | - |
| Operational deposits placed at financial sector entities or their consolidated subsidiaries | - | 742 | - | - | - | - | 371 |
| Loans and securities: | - | 22,830 | 47,326 | 3,155 | 10,380 | - | 14,154 |
| Loans to financial sector entities secured by level 1 liquid assets | - | 14,159 | 42,089 | 1,139 | 1 | - | 322 |
| Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities | - | 4,657 | 4,356 | 887 | 2,790 | - | 4,638 |
| Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties | - | 3,975 | 724 | 708 | 5,215 | - | 7,133 |
| Of which: With a risk weight no greater than 20 percent under [AGENCY CAPITAL REGULATION] | - | 140 | 202 | 435 | 20 | - | 404 |
| Retail mortgages | - | - | 157 | 421 | 1,443 | - | 1,244 |
| Of which: With a risk weight no greater than 50 percent under [AGENCY CAPITAL REGULATION] | - | - | - | - | 1,358 | - | 883 |
| Securities that do not qualify as HQLA | - | 38 | - | - | 931 | - | 816 |
| Other assets:[2] | 742 | 4 | 510 | - | 6,820 | - | 7,756 |
| Commodities | - | - | - | - | - | - | - |
| Assets provided as initial margin for derivative transactions and contributions to CCPs' mutualized loss-sharing arrangements | 467 | - | - | - | - | - | 397 |
| NSFR derivatives asset amount[1] | 27 | - | - | - | - | - | 27 |
| Total derivatives asset amount | 112 | - | - | - | - | - | 27 |
| RSF for potential derivatives portfolio valuation changes | 248 | - | 17 | - | - | - | 13 |
| All other assets not included in the above categories, including nonperforming assets | - | 4 | 494 | - | 6,820 | - | 7,319 |
| Undrawn commitments | - | 7,690 | 2,926 | - | - | - | 531 |
| Total required stable funding( RSF) | - | - | - | - | - | - | 22,866 |
| Required stable funding adjustment percentage | - | - | - | - | - | - | 85% |
| Total adjusted RSF | - | - | - | - | - | - | 19,436 |
| Net Stable Funding Ratio(in percent) | - | - | - | - | - | - | 153% |

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.

March 31,2023

| in USD m. | No maturity | Open Maturity | < 6 months | 6 months to < 1 year | >= 1 year | Perpetual | Weighted Amount |
|---|---|---|---|---|---|---|---|
| | Unweighted and weighted averages | | | | | | |
| **Available stable funding (ASF) items** | | | | | | | |
| Capital and Securities:[1] | - | - | | - | - | 13,520 | 13,520 |
| NSFR regulatory capital elements | - | - | - | - | - | 13,520 | 13,520 |
| Other capital elements and securities | - | - | - | - | - | - | - |
| Retail Funding: | - | 700 | 8 | - | - | - | 640 |
| Stable Deposits | - | 47 | - | - | - | - | 45 |
| Less stable deposits | - | 653 | 8 | - | - | - | 595 |
| Sweep deposits, brokered reciprocal deposits, and brokered deposits | - | - | - | - | - | - | - |
| Other retail funding | - | - | - | - | - | - | - |
| Wholesale funding: | - | 38,520 | 61,096 | 2,269 | 7,877 | - | 16,977 |
| Operational deposits | - | 13,736 | - | - | - | - | 6,868 |
| Other wholesale funding | - | 24,784 | 61,096 | 2,269 | 7,877 | - | 10,110 |
| Other liabilities[1, 2] | 1,359 | - | 1,562 | 303 | 3,084 | - | - |
| NSFR derivatives liability amount | - | - | - | - | - | - | - |
| Total derivatives liability amount | 1,342 | - | - | - | - | - | - |
| All other liabilities not included in the above categories | 17 | - | 1,562 | 303 | 3,084 | - | - |
| ASF trapped at subsidiaries | - | - | - | - | - | - | 140 |
| Total available stable funding ASF) | - | - | - | - | - | - | **30,998** |
| **Required stable funding (RSF) Items** | | | | | | | |
| Total high-quality liquid assets (HQLA) | - | 33,959 | 2,447 | 906 | 19,857 | - | 45 |
| Level 1 liquid assets | - | 33,922 | 2,447 | 906 | 19,856 | - | 39 |
| Level 2A liquid assets | - | 37 | - | - | 1 | - | 6 |
| Level 2B liquid assets | - | - | - | - | - | - | - |
| Zero percent RSF assets that are not level 1 liquid assets | - | 66 | 30 | 1 | 123 | - | - |
| Operational deposits placed at financial sector entities or their consolidated subsidiaries | - | 901 | - | - | - | - | 451 |
| Loans and securities: | - | 26,500 | 48,425 | 2,749 | 9,636 | - | 13,862 |
| Loans to financial sector entities secured by level 1 liquid assets | - | 16,105 | 42,933 | 965 | 1 | - | 257 |
| other than level 1 liquid assets and unsecured loans to financial sector entities | - | 6,356 | 3,919 | 848 | 2,703 | - | 4,714 |
| Loans to wholesale customers or counterparties that are not financial sector entities and loans to retail customers or counterparties | - | 4,016 | 1,451 | 540 | 4,604 | - | 6,917 |
| Of which: With a risk weight no greater than 20 percent under [AGENCY CAPITAL REGULATION] | - | 182 | 117 | 187 | 1 | - | 244 |
| Retail mortgages | - | - | 120 | 396 | 1,457 | - | 1,218 |
| Of which: With a risk weight no greater than 50 percent under [AGENCY CAPITAL REGULATION] | - | - | - | - | 1,393 | - | 906 |
| Securities that do not qualify as HQLA | - | 23 | - | - | 872 | - | 757 |
| Other assets:[2] | 815 | 4 | 601 | - | 6,429 | - | 7,471 |
| Commodities | - | - | - | - | - | - | - |
| transactions and contributions to CCPs' mutualized loss-sharing arrangements | 451 | - | - | - | - | - | 384 |
| NSFR derivatives asset amount[1] | 43 | - | - | - | - | - | 43 |
| Total derivatives asset amount | 109 | - | 2 | - | - | - | 43 |
| RSF for potential derivatives portfolio valuation changes | 320 | - | 6 | - | - | - | 16 |
| All other assets not included in the above categories, including nonperforming assets | 1 | 4 | 595 | - | 6,429 | - | 7,028 |
| Undrawn commitments | - | 6,964 | 2,867 | - | - | - | 492 |
| Total required stable funding( RSF) | - | - | - | - | - | - | 22,321 |
| Required stable funding adjustment percentage | - | - | - | - | - | - | 85% |
| Total adjusted RSF | - | - | - | - | - | - | 18,973 |
| Net Stable Funding Ratio(in percent) | - | - | - | - | - | - | 163% |

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.