Deutsche Bank

DB USA Corporation Pillar 3 Report as of March 31, 2019

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 $50 Billion or More and Combined U.S. Assets of $50 Billion or More" (the "FBO EPS Rule"). The FBO EPS Rule requires that a foreign banking organization ("FBO") having 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, 2019.

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 (2018YE to 2019Q1)

The March 2019 On-balance Sheet Exposures increased $9.7 billion as compared with December 2018 with corresponding impact on RWA (increased $0.4 billion).

On–balance Sheet Exposures:

- $13.4 billion increase in Security Repurchase Agreements ("Repo") driven by $14.4 billion increase in Core Rates due to an increase in the average daily Repo balance sheet, offset by $1.5 billion decrease within the Global Prime Financing (GPF) business due to a decrease in client financing needs with DB London.

- $(1.7) billion decrease in other assets driven by change in U.S. GAAP accounting treatment for leases $(0.3) billion, reductions in intercompany receivables from DB AG New York ("DBNY") $(0.3) billion and receivables from clearing organizations $(0.7) billion.

- $(1) billion decrease in trading assets primarily due to normal market volatility and client needs.

- $(0.9) billion decrease in cash driven by expansion of repo activity partially offset by increase in deposits.

RWA:

- $445 million increase in RWA associated with Standardized Market Risk charge driven by an increase of $1.8 billion in exposures from Corporate & Investment Banking ("CIB") Credit related businesses, partially offset with $(0.5) billion reduction in SVAR in Credit related businesses.

- High volatility commercial real estate ("HVCRE") loan paydowns partially offset by reclassification of loans previously classified as HVCRE (150 % risk weight) to other loans (100 % risk weight) due to HVCRE definition change effective Q1, resulted in changes in associated RWA of $(255) million and $280 million, respectively.

- New U.S. Public Sector Entities ("PSE") collateralized Reverse Security Repurchase Agreements ("Reverse Repo") in DBTCA with DB Municipal Holdings LLC of $170 million (50 % risk weight) and DBNY of $191 million (20 % risk weight) drove the $160 million increase in RWA.

- $(103) million decrease in RWA associated with all other assets exposures subject to 20 % risk weight decreased in intercompany receivables with an additional reduction in temporary difference Deferred Tax Assets ("DTA") primarily related to the state/local impact of the change in U.S. GAAP accounting treatment for leases, offset by increase in default fund contribution RWA (RW increased for OCC).

Basel 3 Standardized Approach Exposure Amounts by Exposure Class

in USD m.	For the period ended		
US Basel 3 Standardized Approach	**31-Dec-18**	**31-Mar-19**	**Variance**
On-balance Sheet Exposures			
Cash and balances due from depository institutions	19,859	19,002	(857)
Securities: Available for Sale	257	257	0
Securities Purchased under agreements to Resell	61,407	74,789	13,382
Loans: Residential mortgage exposures	3,007	2,882	(125)
Loans: High volatility commercial real estate exposures	170	0	(170)
Loans: All other exposures	7,489	7,606	117
Loans: Allowance for Loan Loss	(8)	(9)	(1)
Trading Assets	20,991	20,281	(710)
All Other Assets: All Other	8,776	7,099	(1,677)
Securitization Exposures: Trading Assets	1,493	1,238	(255)
Total On-balance Sheet Exposures	**123,440**	**133,145**	**9,705**
Off-balance Sheet Exposures (credit equivalent amount)			
Financial standby letters of credit	1,029	969	(60)
Performance standby letters of credit	25	24	(1)
Commercial and similar letters of credit	2	2	0
Repo style transactions	32,392	36,372	3,980
Unused commitments: 1 year of less	9	1	(8)
Unused commitments: exceeding 1 year	1,669	1,541	(128)
Over-the-counter derivatives	362	329	(33)
Centrally Cleared derivatives	5,603	4,628	(975)
Unsettled Transactions	111	147	36
Total Off-balance Sheet Exposures	**41,202**	**44,013**	**2,811**

Figures may include rounding differences.

Basel 3 Standardized Approach Risk-weighted Assets by Exposure Class

in USD m.	For the period ended 31-Dec-18	31-Mar-19	Variance
On-balance Sheet Exposures	RWA	RWA	RWA
Cash and balances due from depository institutions	454	391	(63)
Securities: Available for Sale	59	55	(4)
Loans: Residential mortgage exposures	1,547	1,505	(42)
Loans: High volatility commercial real estate exposures	255	0	(255)
Loans: All other exposures	6,684	6,964	280
Trading Assets	102	121	19
All Other Assets	3,011	2,908	(103)
Securitization Exposures: Trading Assets	261	229	(32)
Total On-balance Sheet Exposures	12,373	12,173	(200)
Off-balance Sheet Exposures	RWA	RWA	RWA
Financial standby letters of credit	628	613	(15)
Performance standby letters of credit	22	22	0
Commercial and similar letters of credit	2	2	0
Repo style transactions	8,995	9,155	160
Unused commitments: 1 year or less	9	1	(8)
Unused commitments: exceeding 1 year	797	706	(91)
Over-the-counter derivatives	121	131	10
Centrally Cleared derivatives	115	96	(19)
Unsettled Transactions	175	259	84
Total Off-balance Sheet Exposures	10,864	10,985	121
Total Risk Weighted Assets, excluding Market Risk	23,237	23,158	(79)
Standardized Market Risk Weighted Assets	13,294	13,739	445
Total Risk Weighted Assets	36,531	36,897	366

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 (2018YE to 2019Q1)

- $824 million increase in Regulatory Capital is driven by $780 million increase in Retained Earnings attributed to current quarter Net Income $254 million, offset by change in the Accounting for Leases (ASU 2016-02) adopted as of January 1, 2019 $(527) million. As a result of the aforementioned U.S. GAAP accounting change and associated sale and leaseback recognition that existed under prior U.S. GAAP accounting (ASC 840).

Regulatory Capital and Capital Ratios according to Basel 3 Capital Rules

in USD m.	31-Dec-18 US Basel 3	31-Mar-19 US Basel 3	Variance
Common Stock plus retained surplus, net of unearned employee stock ownership plan (ESOP) shares	21,989	22,022	33
Retained Earnings	(13,237)	(12,457)	780
Accumulated Other Comprehensive Income (AOCI) based on transition rules	(255)	(246)	9
Common Equity Tier 1 Capital, before adjustments and deductions	8,497	9,319	822
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	(78)	(77)	1
Less: Deferred Tax Assets (DTLs) that arise from net operating losses and tax credit carryforwards, net of valuation allowances	(5)	(15)	(10)
Total Regulatory Adjustments to Commeon Equity Tier 1 (CET1)	(133)	(142)	(9)
Common Equity Tier 1 Capital	8,364	9,177	813
Additional Tier 1 (AT1) Capital			
Additional Tier 1 Capital instruments plus related surplus	4,205	4,205	0
Additional Tier 1 (AT1) Capital before adjusments	4,205	4,205	0
Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital	(18)	(8)	10
Additional Tier 1 (AT1) Capital	4,187	4,197	10
Tier 1 Capital (T1 = CET1 + AT1)	12,551	13,374	823
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	10	11	1
Tier 2 (T2) Capital before adjustments	10	11	1
Total Regulatory Adjustments to Tier 2 (T2) Capital	0	0	0
Tier 2 (T2) Capital	10	11	1
Total Regulatory Capital	12,561	13,385	824

Ratios		
Common Equity Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	22.90%	24.87%
Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	34.37%	36.25%
Total Capital Ratio (as a percentage of risk-weighted assets)	34.40%	36.28%
Capital Conservation Buffer	18.40%	20.37%
Leverage Ratio (as a percentage of average total consolidated assets)	9.20%	9.57%
Supplementary Leverage Ratio	8.42%	8.79%

Figures may include rounding differences.