Deutsche Bank

DB USA Corporation Pillar 3 Report as of June 30, 2021

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Introduction

Disclosures according to Pillar 3 of the Basel 3 Capital Framework

The purpose of this Report is to provide Pillar 3 disclosures for DB USA Corporation ("DB USA Corp") as required by the regulatory framework for capital & liquidity, established by the Basel Committee on Banking Supervision, also known as Basel 3. Per regulation it is not required to have Pillar 3 disclosures audited. As such the information provided in this Pillar 3 Report is unaudited.

Basis of Presentation

DB USA Corp Pillar 3 Report has been prepared in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), while Regulatory Capital and Risk Weighted Assets ("RWA") calculations are based on U.S. Basel 3 Standardized Approach ("U.S. Basel 3") capital rules. In this regard RWA, Regulatory Capital and associated disclosures are based on U.S. regulatory reporting requirements as defined by the Federal Reserve Bank FR Y-9C Consolidated Financial Statements for Bank Holding Companies ("FR Y-9C") and in conjunction with U.S. Basel 3 rules. Quantitative Pillar 3 disclosures, in the Pillar 3 Report follow the classification and segmentation required by the FR Y-9C reporting requirements and U.S. Basel 3 guidelines. Where appropriate, we have introduced and modified disclosure tables required by the European Banking Authority ("EBA"), in order to present information consistent with the reporting made in the FR Y-9C and the DB USA Corp audited financial statements, also prepared on a U.S. GAAP basis.

Scope of Application

DB USA Corp is the US Intermediate Holding Company ("IHC") of Deutsche Bank AG ("DB Group") that is implemented pursuant to Regulation YY: Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations, codified in 12 C.F.R. Part 252, and, in particular, Subpart O - Enhanced Prudential Standards for Foreign Banking Organizations with Total Consolidated Assets of $100 Billion or More and Combined U.S. Assets of $100 Billion or More" (the "FBO EPS Rule"). The FBO EPS Rule requires that a foreign banking organization ("FBO") having combined US assets of $100 billion or more and US non-branch assets of $50 billion or more establish in the US an IHC for its US subsidiaries that must be organized under the applicable US laws and operate under all applicable US regulatory requirements, including leverage and risk-based capital standards, stress testing, risk management and liquidity requirements. DB USA Corp consolidates all of DB Group subsidiaries in the U.S. which include Deutsche Bank Trust Corporation ("DBTC"), Deutsche Bank Trust Company Americas ("DBTCA"), Deutsche Bank Securities Inc. ("DBSI"), Deutsche Bank US Financial Markets Holding Corp. ("DBUSH"), Deutsche Bank Americas Holding Corp. ("DBAH") and German American Capital Corp. ("GACC").

Risk and Capital Performance

Exposures and Risk-weighted Assets

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

The information in the schedules below presents DB USA Corp distribution of RWA by exposure categories as reported in DB USA Corp's FR Y-9C, Schedule HC-R Regulatory Capital for the period ended June 30, 2020.

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 (2020YE to 2021Q2)

The June 2021 On-balance Sheet Exposures increased $9.4 billion and Off Balance Sheet Exposures decreased $(4.3) billion as compared with December 2020 while RWA increased over the same period by $1.6 billion.

On Balance Sheet Exposures:

- $2.4 billion increase in cash and balances due from depository institutions within DBTCA is driven by an decrease in reverse repos $5.2 billion, and an increase in other borrowed money $1.6 billion, offset by a decrease in deposits of ($3.6 billion), increase in other assets ($0.3 billion) and an decrease in other liabilities for ($0.3 billion).

  This was offset by a decrease in cash held within DBSI ($0.9 billion).
- $5.5 billion increase in security financing transactions driven by an increase in stock borrow balances of $4.2 billion and higher reverse repo balances of $1.3 billion, both within in the Investment Bank due to increased client activity.
- $1.1 billion increase in trading assets driven by higher US Government Agency balances of $1.1 billion and an increase in corporate bonds of $1.3 billion, offset by a reduction in US treasuries of $1.3 billion.
- $1.0 billion increase in all other assets driven by fails to deliver with increased $0.5 billion within the Investment Bank and $0.5 billion driven by ACH unposted debits facing DB London in the Corporate Bank.

Off Balance Sheet Exposures:

- $(4.3) billion decrease in Repo style transactions driven by changes in the counterparty split whereby there was a decrease in gross balances against Central banks (Federal Reserve, Central Bank of Chile) with 0% risk weight, and decrease in gross balances against DB affiliates (DB AG London, DB AG Frankfurt) with 20% risk weight, offset by increase in gross balances with 100% risk weight counterparties.

RWA:

- The increase in RWA was predominately driven by:
  - $0.9 billion increase from loans. $0.6 billion driven by Corporate Bank loans with foreign banks ($0.4 billion and 150% risk weight), and $0.3 billion due to the Corporate Bank's Trade Finance business with corporate counterparties at 100% risk weight.
  - $0.7 billion increase from repo style transactions, $0.5 billion driven by the higher securities borrowed exposures, and $0.2 billion due to higher repo exposures.
  - $0.3 billion increase to Standardized Market RWA as a result of higher non-securitization debt exposures.

Basel 3 Standardized Approach Exposure Amounts by Exposure Class

in USD m.	For the period ended		
US Basel 3 Standardized Approach	**31-Dec-20**	**30-Jun-21**	**Variance**
On-balance Sheet Exposures			
Cash and balances due from depository institutions	20,673	22,123	1,450
Securities: Available for Sale	1,365	1,033	(332)
Securities Purchased under agreements to Resell	46,932	52,384	5,452
Loans: Residential mortgage exposures	2,789	2,721	(68)
Loans: All other exposures	9,624	10,373	749
Loans: Allowance for Loan Loss	(18)	(12)	6
Trading Assets	17,741	18,826	1,085
All Other Assets: All Other	10,166	11,198	1,032
Securitization Exposures: Trading Assets	675	719	44
Total On-balance Sheet Exposures	**109,947**	**119,365**	**9,418**
Off-balance Sheet Exposures (credit equivalent amount)			
Financial standby letters of credit	700	699	(1)
Performance standby letters of credit	18	32	14
Commercial and similar letters of credit	0	5	5
Repo style transactions	22,630	18,291	(4,339)
Unused commitments: 1 year of less	25	30	5
Unused commitments: exceeding 1 year	2,300	2,176	(124)
Over-the-counter derivatives	144	237	93
Centrally Cleared derivatives	468	435	(33)
Unsettled Transactions	215	250	35
Total Off-balance Sheet Exposures	**26,500**	**22,155**	**(4,345)**

Figures may include rounding differences.

Basel 3 Standardized Approach Risk-weighted Assets by Exposure Class

	For the period ended		
in USD m.	31-Dec-20	30-Jun-21	Variance
On-balance Sheet Exposures	RWA	RWA	RWA
Cash and balances due from depository institutions	513	212	(301)
Securities: Available for Sale	43	54	11
Securities Purchased under agreements to Resell	0	0	0
Loans: Residential mortgage exposures	1,451	1,437	(14)
Loans: All other exposures	9,350	10,260	910
Loans: Allowance for Loan Loss	0	0	0
Trading Assets	85	75	(10)
All Other Assets	5,590	5,575	(15)
Securitization Exposures: Trading Assets	123	43	(80)
Total On-balance Sheet Exposures	**17,155**	**17,656**	**501**
Off-balance Sheet Exposures	RWA	RWA	RWA
Financial standby letters of credit	529	518	(11)
Performance standby letters of credit	9	15	6
Commercial and similar letters of credit	0	0	0
Repo style transactions	4,868	5,642	774
Unused commitments: 1 year or less	4	5	1
Unused commitments: exceeding 1 year	809	744	(65)
Over-the-counter derivatives	67	111	44
Centrally Cleared derivatives	9	9	0
Unsettled Transactions	41	82	41
Total Off-balance Sheet Exposures	**6,336**	**7,126**	**790**
Total Risk Weighted Assets, excluding Market Risk	**23,491**	**24,782**	**1,291**
Standardized Market Risk Weighted Assets	**12,791**	**13,064**	**273**
Total Risk Weighted Assets	**36,282**	**37,846**	**1,564**

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 (2020YE to 2021Q2)

- $476 million increase in Regulatory Capital is largely driven by the Net Income for the period of $497 million.

Regulatory Capital and Capital Ratios according to Basel 3 Capital Rules

in USD m.	31-Dec-20 US Basel 3	30-Jun-21 US Basel 3	Variance
Common Stock plus retained surplus, net of unearned employee stock ownership plan (ESOP) shares	23,662	23,618	(44)
Retained Earnings	(13,253)	(12,756)	497
Accumulated Other Comprehensive Income (AOCI) based on transition rules	(243)	(221)	22
Common Equity Tier 1 Capital, before adjustments and deductions	10,166	10,641	475
Common Equity Tier 1 Capital: Adjustments and Deductions			0
Less: Goodwill net of associated deferred tax liabilities (DTLs)	(50)	(49)	1
Less: Intangible Assets, net of associated DTL's	(62)	(65)	(3)
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 Commeon Equity Tier 1 (CET1)	(112)	(114)	(2)
Common Equity Tier 1 Capital	10,054	10,527	473
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	(10)	(2)	8
Additional Tier 1 (AT1) Capital	4,195	4,203	8
Tier 1 Capital (T1 = CET1 + AT1)	14,249	14,730	481
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	20	15	(5)
Tier 2 (T2) Capital before adjustments	20	15	(5)
Total Regulatory Adjustments to Tier 2 (T2) Capital	0	0	0
Tier 2 (T2) Capital	20	15	(5)
Total Regulatory Capital	14,269	14,745	476

Ratios		
Common Equity Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	27.71%	27.82%
Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	39.27%	38.92%
Total Capital Ratio (as a percentage of risk-weighted assets)	39.33%	38.96%
Capital Conservation Buffer	23.21%	23.32%
Leverage Ratio (as a percentage of average total consolidated assets)	10.84%	11.87%
Supplementary Leverage Ratio	13.61%	10.85%

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 2021.

In addition to these minimum capital requirements, the capital conservation buffer (CCB) establishes capital buffer percentages above regulatory minimums, which must be maintained in order 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, in order 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, 2021. 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-21					
in USD m.	Financial Balance Sheet	Presentation Differences				Regulatory Balance Sheet
		Margin Loans	Non-Trading Equity Securities	Non-Trading Interest Rate Swaps	Total	
Assets						
Cash and cash equivalents	22,123	-	-	-	-	22,123
Securities: Available for Sale	988	-	45	-	45	1,033
Collateralized agreements and financings	52,384	-	-	-	-	52,384
Loans, net of allowance for loan losses	13,081	1	-	-	1	13,082
Financial instruments owned, at fair value	19,746	-	(45)	(156)	(201)	19,545
Other assets	11,043	(1)	-	156	155	11,198
Total assets	119,365	-	-	-	-	119,365
Liabilities and Stockholders' Equity						
Deposits	26,894	-	-	-	-	26,894
Fed funds purchased	0	-	-	-	-	0
Collateralized agreements and financing:	30,000	-	-	-	-	30,000
Financial instruments sold, but not yet purchased, at fair value	12,066	-	-	(57)	(57)	12,009
Borrowings	20,135	-	-	-	-	20,135
Other liabilities	15,421	-	-	57	57	15,478
Total liabilities	104,516	-	-	-	-	104,516
Stockholders' Equity						
Preferred stock	4,205	-	-	-	-	4,205
Common stock, par value $1.00 per share. 2,000 shares	0	-	-	-	-	0
Additional paid-in capital	23,618	-	-	-	-	23,618
Accumulated deficit	(12,756)	-	-	-	-	(12,756)
Accumulated other comprehensive income (loss)	(221)	-	-	-	-	(221)
Minority Interest	3	-	-	-	-	3
Total stockholders' Equity	14,849	-	-	-	-	14,849
Total liabilities and stockholder's equity	119,365	-	-	-	-	119,365

The presentation differences noted in the above reconciliation are primarily due to:

- Margin Loans: Pursuant to the AICPA Audit and Accounting Guide for Brokers and Dealers, margin balances are captured as Receivable from, and Payables to, Broker-dealers, Clearing Organizations and Customers (See Sections 4.29 and 4.44). The FR Y9-C instructions are not explicit regarding how to report "margin loans". However, DB received a FRB exception as part of the 2007 FRB Exam of Taunus as it relates to margin lending. Margin Loans were historically being reported in Other Assets (consistent with how they are reported on the Audited financial statements), however the FRB issues DB an exception on this treatment providing guidance that margin loans should be reported as Loans and leases, net of unearned income, Line 4.b on Schedule HC.
- Equity Securities at Fair Value under 2016-01: For the US GAAP Financial Statements, under ASU 2016-01 entities are no longer able to classify equity investments as trading or available for sale (AFS) and must be measured at Fair Value through Net Income. Equity securities at Fair Value are considered Financial Instruments Owned for US GAAP financial reporting purposes. For the FR Y-9C, these non-trading equity securities held at Fair Value under ASU 2016-01 are reported separately on HC line 2.c Equity securities with readily determinable fair values not held for trading.
- Trading vs Financial Instruments Owned: For the US GAAP Financial Statements all derivative positions are considered financial instruments and are presented in the Financial Instruments Owned/Sold captions. For the FR Y-9C, the non-trading derivatives are excluded from Trading Assets/Liabilities and are included in Other Assets/Liabilities.

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-21						
On-balance Sheet Exposures	North America	Europe	Latin America	Caribbean	Asia	Other Countries	Amount Subject to RWA
Cash and balances due from depository institutions	21,944	143	1	18	17	0	22,123
Securities: Available for Sale	1,033	0	0	0	0	0	1,033
Loans	11,558	416	771	201	148	0	13,094
Trading Assets	229	0	0	1	0	0	230
Other Assets	2,957	1,596	6	2,377	42	4	6,982
Total On-balance Sheet Exposures	37,721	2,155	778	2,597	207	4	43,462
Off-balance Sheet Exposures							Amount Subject to RWA
Letters of credit	621	75	0	3	17	0	716
Repo style transactions	13,621	2,822	152	89	1,606	1	18,291
Unused commitments	797	251	1	30	15	0	1,094
Derivatives	293	348	0	20	11	0	672
Unsettled Transactions	246	4	0	0	0	0	250
Total Off-balance Sheet Exposures	15,578	3,500	153	142	1,649	1	21,023
Grand Total	53,299	5,655	931	2,739	1,856	5	64,485

[1] Include Flexible Repurchase Agreements ("Flex Repos") which combine the security of owning U.S. Government Obligations, fixed interest rates, the withdrawal flexibility of a money market account and the high yield of a medium- or long-term investment. Flex Repos are generally long term because they are tied to construction projects for which bond proceeds need to be invested until payment is due for each stage of construction. In return for the added flexibility, investors in Flex Repos almost always receive slightly lower rates of return than investors with terms that are more traditional. Flex Repos are provided by DBSI, the U.S. broker dealer.

in USD m.	31-Dec-20						
On-balance Sheet Exposures	North America	Europe	Latin America	Caribbean	Asia	Other Countries	Amount Subject to RWA
Cash and balances due from depository institutions	20,315	312	2	18	26	0	20,673
Securities: Available for Sale	1,365	0	0	0	0	0	1,365
Loans	11,217	380	445	189	182	0	12,413
Trading Assets	458	2	0	9	0	0	469
Other Assets	3,194	1,140	7	2,076	42	3	6,462
Total On-balance Sheet Exposures	36,549	1,834	454	2,292	250	3	41,382
Off-balance Sheet Exposures							Amount Subject to RWA
Letters of credit	608	77	0	6	18	0	709
Repo style transactions	18,193	4,410	0	9	17	1	22,630
Unused commitments	800	303	3	34	15	0	1,155
Derivatives	231	377	0	2	2	0	612
Unsettled Transactions	211	4	0	0	0	0	215
Total Off-balance Sheet Exposures	20,043	5,171	3	51	52	1	25,321
Grand Total	56,592	7,005	457	2,343	302	4	66,703

Gross Exposure by Asset Class and Residual Maturity

in USD m	30-Jun-21					
	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	22,123	-	-	-	-	22,123
Securities: Available for Sale	-	84	174	351	424	1,033
Loans	880	3,860	1,329	3,665	3,360	13,094
Trading Assets	-	139	-	53	38	230
Other Assets	5,369	274	946	307	86	6,982
Total On-balance Sheet Exposures	28,372	4,357	2,449	4,376	3,908	43,462
Letters of credit	-	198	496	17	5	716
Repo-Style transactions (1)	16,163	1,791	12	-	325	18,291
Unused Commitments	260	166	307	156	205	1,094
Derivatives	25	433	52	96	66	672
Unsettled	212	3	-	7	28	250
Total Off-balance Sheet Exposures	16,660	2,591	867	276	629	21,023
Grand Total	45,032	6,948	3,316	4,652	4,537	64,485

[1] Include Flexible Repurchase Agreements ("Flex Repos") which combine the security of owning U.S. Government Obligations, fixed interest rates, the withdrawal flexibility of a money market account and the high yield of a medium- or long-term investment. Flex Repos are generally long term because they are tied to construction projects for which bond proceeds need to be invested until payment is due for each stage of construction. In return for the added flexibility, investors in Flex Repos almost always receive slightly lower rates of return than investors with terms that are more traditional. Flex Repos are provided by DBSI, the U.S. broker dealer.

in USD m	31-Dec-20					
	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	20,673	-	-	-	-	20,673
Securities: Available for Sale	-	95	71	870	329	1,365
Loans	622	2,954	1,597	3,798	3,442	12,413
Trading Assets	152	112	121	36	48	469
Other Assets	4,672	261	18	1,428	83	6,462
Total On-balance Sheet Exposures	26,119	3,422	1,807	6,132	3,902	41,382
Letters of credit	-	202	10	490	7	709
Repo-Style transactions (1)	20,518	1,835	2	13	262	22,630
Unused Commitments	252	120	169	524	90	1,155
Derivatives	4	348	49	101	110	612
Unsettled	212	3	-	-	-	215
Total Off-balance Sheet Exposures	20,986	2,508	230	1,128	469	25,321
Grand Total	47,105	5,930	2,037	7,260	4,371	66,70

Gross Exposure by Asset Class and Industry

in USD m	30-Jun-21					
	Public institutions	Banks and other financial institutions	Corporations	Retail	Other	Amount Subject to RWA
Cash and balances due from depository institutions	21,132	991	-	-	-	22,123
Securities: Available for Sale	942	66	14	-	11	1,033
Loans	215	3,181	2,551	3,519	3,628	13,094
Trading Assets	151	16	42	-	21	230
Other Assets	387	4,500	293	20	1,782	6,982
Total On-balance Sheet Exposures	22,827	8,754	2,900	3,539	5,442	43,462
Letters of credit	5	492	72	144	3	716
Repo-Style transactions	3,352	14,857	10	-	72	18,291
Unused Commitments	5	806	97	134	52	1,094
Derivatives	370	301	1	-	-	672
Unsettled	-	34	215	-	1	250
Total Off-balance Sheet Exposures	3,732	16,490	395	278	128	21,023
Grand Total	26,559	25,244	3,295	3,817	5,570	64,485

[1] Include Flexible Repurchase Agreements ("Flex Repos") which combine the security of owning U.S. Government Obligations, fixed interest rates, the withdrawal flexibility of a money market account and the high yield of a medium- or long-term investment. Flex Repos are generally long term because they are tied to construction projects for which bond proceeds need to be invested until payment is due for each stage of construction. In return for the added flexibility, investors in Flex Repos almost always receive slightly lower rates of return than investors with terms that are more traditional. Flex Repos are provided by DBSI, the U.S. broker dealer.

in USD m	31-Dec-20					
	Public institutions	Banks and other financial institutions	Corporations	Retail	Other	Amount Subject to RWA
Cash and balances due from depository institutions	18,147	2,525	-	-	1	20,673
Securities: Available for Sale	1,296	50	6	-	13	1,365
Loans	183	2,906	2,200	3,449	3,675	12,413
Trading Assets	376	33	10	1	49	469
Other Assets	279	3,931	287	3	1,962	6,462
Total On-balance Sheet Exposures	20,281	9,445	2,503	3,453	5,700	41,382
Letters of credit	6	479	65	156	3	709
Repo-Style transactions	3,905	18,570	-	-	155	22,630
Unused Commitments	6	756	170	162	61	1,155
Derivatives	416	195	1	-	-	612
Unsettled	-	6	206	-	3	215
Total Off-balance Sheet Exposures	4,333	20,006	442	318	222	25,321
Grand Total	24,614	29,451	2,945	3,771	5,922	66,703

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

in USD m.	30-Jun-21																			
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%	938%	1250%	Other Amount	Other RWA
Cash and balances due from depository institutions	212	22,123	22,123	21,106	0	0	0	1,004	3	10	0	0	0	0	0	0	0	0	0	0
Securities: Available for Sale	54	1,033	1,033	935	0	0		55	0	43	0	0	0	0	0		0	0	0	0
Securities Purchased under agreements to Resell	0	52,384	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loans: Residential mortgage exposures	1,437	2,721	2,721	6	0	0	0	0	2,557	158	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
Loans: All other exposures	10,260	10,373	10,373	196	0	0	0	339	11	9,108	719	0	0	0	0	0	0	0	0	0
Loans: Allowance for Loan Loss	0	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trading Assets	75	18,826	227	152	0	0	0	0	0	75	0	0	0	0	0	0	0	0	0	0
All Other Assets: All Other	5,575	11,198	6,982	150	0	0	0	3,408	1	2,169	10	1,045	0	0	0	0	0	0	199	96
Securitization Exposures: Trading Assets	43	719	3																3	43
Total On-balance Sheet Exposures	**17,656**	**119,365**	**43,462**	**22,545**	**0**	**0**	**0**	**4,806**	**2,572**	**11,563**	**729**	**1,045**	**0**	**0**	**0**	**0**	**0**	**0**	**202**	**139**
Off-balance Sheet Exposures		Credit Equivalent Amount	Amount Subject to RWA	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	518	699	699	59	0	0	0	153	0	487	0	0	0	0	0	0	0	0	0	0
Performance standby letters of credit	15	32	16	0	0	0	0	1	0	15	0	0	0	0	0	0	0	0	0	0
Commercial and similar letters of credit	0	5	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repo style transactions	5,642	18,291	18,291	7,640	1,544	0	0	4,084	458	4,565	0	0	0	0	0	0	0	0	0	0
Unused commitments: 1 year of less	5	30	6	0	0	0	0	1	0	5	0	0	0	0	0	0	0	0	0	0
Unused commitments: exceeding 1 year	744	2,176	1,088	87	0	0	0	267	86	648	0	0	0	0	0	0	0	0	0	0
Over-the-counter derivatives	111	237	237	0	0	0	0	158	0	79	0	0	0	0	0	0	0	0	0	0
Centrally Cleared derivatives	9	435	435	0	428	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsettled Transactions	82	250	250	237	0	0	0	0	0	1	0	0	0	0	0	11	0	1	0	0
Total Off-balance Sheet Exposures	**7,126**	**22,155**	**21,023**	**8,024**	**1,972**	**7**	**0**	**4,664**	**544**	**5,800**	**0**	**0**	**0**	**0**	**0**	**11**	**0**	**1**	**0**	**0**
Total Risk Weighted Assets, excluding Market Risk	**24,782**		**24,782**	**0**	**39**	**0**	**0**	**1,894**	**1,558**	**17,363**	**1,094**	**2,613**	**0**	**0**	**0**	**69**	**0**	**13**	**0**	**139**
Standardized Market Risk Weighted Assets	**13,064**																			
Total Risk Weighted Assets	**37,846**																			

in USD m.	31-Dec-20																			
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	513	20,673	20,673	18,123	0	0	0	2,545	3	2	0	0	0	0	0	0	0	0	0	0
Securities: Available for Sale	43	1,365	1,365	1,288	0	0	0	42	0	35	0	0	0	0	0	0	0	0	0	0
Securities Purchased under agreements to Resell	0	46,932	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans: Residential mortgage exposures	1,451	2,789	2,789	6	0	0	0	0	2,664	119	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
Loans: All other exposures	9,350	9,624	9,624	206	0	0	0	300	11	8,752	355	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	85	17,741	451	376	0	0	0	0	0	73	0	0	0	0	2	0	0	0	0	0
All Other Assets: All Other	5,590	10,166	6,462	150	0	0	0	2,853	1	2,159	12	1,112	0	0	0	0	0	0	175	62
Securitization Exposures: Trading Assets	123	675	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	123
Total On-balance Sheet Exposures	**17,155**	**109,947**	**41,364**	**20,149**	**0**	**0**	**0**	**5,740**	**2,679**	**11,140**	**367**	**1,112**	**0**	**0**	**2**	**0**	**0**	**0**	**175**	**185**
Off-balance Sheet Exposures		Credit Equivalent Amount	Amount Subject to RWA	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	529	700	700	44	0	0	0	159	0	497	0	0	0	0	0	0	0	0	0	0
Performance standby letters of credit	9	18	9	0	0	0	0	0	0	9	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	4,868	22,630	22,630	12,955	1,081	0	0	4,541	232	3,821	0	0	0	0	0	0	0	0	0	0
Unused commitments: 1 year of less	4	25	5	0	0	0	0	1	0	4	0	0	0	0	0	0	0	0	0	0
Unused commitments: exceeding 1 year	809	2,300	1,150	86	0	0	0	265	86	713	0	0	0	0	0	0	0	0	0	0
Over-the-counter derivatives	67	144	144	0	0	0	0	96	0	48	0	0	0	0	0	0	0	0	0	0
Centrally Cleared derivatives	9	468	468	0	463	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsettled Transactions	41	215	215	209	0	0	0	0	0	3	0	0	0	0	0	0	0	3	0	0
Total Off-balance Sheet Exposures	**6,336**	**26,500**	**25,321**	**13,294**	**1,544**	**5**	**0**	**5,062**	**318**	**5,095**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**0**
Total Risk Weighted Assets, excluding Market Risk	**23,491**		**23,491**	**0**	**31**	**0**	**0**	**2,160**	**1,499**	**16,235**	**551**	**2,780**	**0**	**0**	**12**	**0**	**0**	**38**	**0**	**185**
Standardized Market Risk Weighted Assets	**12,791**																			
Total Risk Weighted Assets	**36,282**																			

Credit Risk and Credit Risk Mitigation

The majority of 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-21				
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		84,417	(57,704)	26,713	(22,173)	4,540
Securities borrowed		28,372	(2,701)	25,671	—	25,671
Total	$	112,789	(60,405)	52,384	(22,173)	30,211
Liabilities:						
Collateralized agreements and financings:						
Securities sold under agreements to repurchase		81,276	(57,704)	23,572	(23,572)	-
Securities loaned		9,129	(2,701)	6,428	(6,428)	-
Total	$	90,405	(60,405)	30,000	(30,000)	-

(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 contract.
(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.

		31-Dec-20				
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		77,549	(52,116)	25,433	(19,598)	5,835
Securities borrowed		23,938	(2,439)	21,499	-	21,499
Total	$	101,487	(54,555)	46,932	(19,598)	27,334
Liabilities:						
Collateralized agreements and financings:						
Securities sold under agreements to repurchase		72,364	(52,116)	20,248	(20,248)	-
Securities loaned		7,992	(2,439)	5,553	(5,553)	-
Total	$	80,356	(54,555)	25,801	(25,801)	-

Netting of Derivatives Transactions

	30-Jun-21				
	Fair value		Notional Amount		
in USD m.	Assets	Libilities	Exchange - traded	OTC	Total
Contract type					
Interest rate contracts	249	82	3,324	17,559	20,883
Credit contracts	-	-	-	-	-
Equity contracts	13	9	443	-	443
Other contracts	28	29	-	5,455	5,455
Total gross derivatives	290	120	3,767	23,014	26,781
	-	-			
Less: Counterparty netting (1)	(25)	(25)			
Net amounts presented in statement of financial condition	265	95			
Less: Cash collateral received/posted	(11)	-			
Net derivative	254	95			

(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-20				
	Fair value		Notional Amount		
in USD m.	Assets	Libilities	Exchange - traded	OTC	Total
Contract type					
Interest rate contracts	331	89	2,627	17,317	19,944
Credit contracts	-	-	-	-	-
Equity contracts	13	14	268	-	268
Other contracts	3	4	-	7,541	7,541
Total gross derivatives	347	107	2,895	24,858	27,753
Less: Counterparty netting (1)	(38)	(38)			
Net amounts presented in statement of financial condition	309	69			
Less: Cash collateral received/posted	(191)	(28)			
Net derivative	118	41			

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 (2020YE to 2021Q2)

Impaired loans increased $18 million as of June 30, 2021 compared with December 31, 2020. The increase is primarily attributed to residential real estate loans with Private Bank and Corporate Bank clients. Past due loans reported by DB USA Corp as of June 2021 are immaterial.

The Loan Loss Allowance decreased $6 million as of June 30, 2021 compared with December 31, 2020. The reason for the decrease was due to macro-economic variable updates reflecting a more optimistic outlook for US GDP and US unemployment.

During 2021, DB USA continued to have no loan modifications that met the requirements for eligible loan modifications under Section 4013 of the CARES Act as defined by the US Federal Reserve Bank.

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

	31-Dec-20			30-Jun-21		
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	63	18	29%	81	12	15%
Other	-	-	0%	-	-	0%
Total	63	18	29%	81	12	15%

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

	31-Dec-20			30-Jun-21		
in USD m.	Impaired Loans	Loan Loss Allowance	Impaired loan coverage ratio (%)	Impaired Loans	Loan Loss Allowance	Impaired loan coverage ratio (%)
North America	63	18	29%	81	12	15%
Total	63	18	29%	81	12	15%

Development of impaired loans

	31-Dec-20 (12 Months)	30-Jun-21 (6 months)
in USD m.	loans Individually assessed	loans Individually assessed
Balance, beginning of the year	62	63
Classified as impaired during the year	19	29
Transferred to not impaired during the year	5	1
Charge Offs	2	1
Disposal of impaired loans	10	8
Paydowns	1	1
Balance, end of the year	63	81

Development of specific loan loss allowance

	31-Dec-20 (12 Months)	30-Jun-21 (6 months)
in USD m.	loss allowance	loss allowance
Balance, beginning of the year	3	-
Recoveries	(2)	-
Charge Offs	1	1
Provision for loan and lease losses	-	4
Other	-	-
Balance, end of the year	-	3

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.

Variance Commentary (2020YE to 2021Q2)

The Supplementary Leverage Ratio for June 2021 is 10.85%, 271bps decrease from December 2020. The significant driver of this decrease was due to the removal by the Federal Reserve Bank of the requirement to temporarily exclude U.S. Treasury Securities and Deposits at Federal Reserve Banks from the SLR denominator, leverage exposure. Removal of the exclusion resulted in a $38 billion increase in the leverage exposure, decreasing the SLR by 366bps.

The above increase in Total SLR exposures was offset by a decrease in exposures from Repo-style transactions which reduced $(5.0) billion (post FIN41 netting). This was largely due to lower trading volumes, reduced external client activity and firm financing in DBSI, and a reduction in intercompany trading with DB London. In addtion, other on balance sheet exposures decreased $(2.2) billion.

in USD m.	31-Dec-20	30-Jun-21	Variance
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)	66,335	64,090	(2,245)
Deductions from common equity tier 1 capital and additional tier 1 capital (report as a positive amount)	122	116	(6)
Adjustments for deductions of qualifying central bank deposits for custodial banking organisations	38,460	0	(38,460)
Total on-balance sheet exposures (item 2.1 minus item 2.2)	**27,753**	**63,974**	**36,221**
Replacement cost for all derivative transactions	97	66	(31)
Add-on amounts for potential future exposure (PFE) for all derivative transactions	2,200	2,645	445
Gross-up for collateral posted in derivative transactions if collateral is deducted from on-balance sheet assets	0	0	0
Deduction of receivable assets for qualifying cash variation margin posted in derivative transactions (report as a positive amount)	0	0	0
Exempted exposures to central counterparties (CCPs) in cleared transactions (report as a positive amount)	1,089	1,252	163
Adjusted effective notional principal amount of sold credit protection	0	0	0
Adjusted effective notional principal amount offsets and PFE deductions for sold credit protection (report as a positive amount)	0	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)	**1,208**	**1,459**	**251**
Gross assets for repo-style transactions, with no recognition of netting	120,611	116,833	(3,778)
Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions (report as a positive value)	55,520	56,758	1,238
Counterparty credit risk for all repo-style transactions	1,011	1,077	66
Exposure amount for repo-style transactions where an institution acts as an agent	0	0	0
Total exposures for repo-style transactions (sum of items 2.12, 2.14, and 2.15, minus item 2.13)	**66,102**	**61,152**	**(4,950)**
Off-balance sheet exposures at gross notional amounts	30,814	32,701	1,887
Adjustments for conversion to credit equivalent amounts (report as a positive amount)	21,209	23,561	2,352
Total off-balance sheet exposures (item 2.17 minus item 2.18)	**9,605**	**9,140**	**(465)**
Tier 1 capital (from Schedule A, item 45)	**14,249**	**14,730**	**481**
Total leverage exposure (sum of items 2.3, 2.11, 2.16, and 2.19)	**104,668**	**135,725**	**31,057**
Supplementary leverage ratio (item 2.20 divided by item 2.21)	**13.6135%**	**10.8528%**	**(2.7607)%**

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, 2021 compared to December 31, 2020.

For details please refer to DB USA Corp's quarterly U.S. LCR Disclosures publicly disclosed on DB's website.

		Average Unweighted Amount		Average Weighted Amount	
in USD m.	For the quarter ended	31-Dec-20	30-Jun-21	31-Dec-20	30-Jun-21
HIGH-QUALITY LIQUID ASSETS [1]					
1	**Total eligible high-quality liquid assets (HQLA), of which:**	**22,693**	**22,867**	**22,693**	**22,867**
2	Eligible level 1 liquid assets	22,693	22,867	22,693	22,867
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:**	**757**	**866**	**173**	**208**
6	Stable retail deposit outflow	71	71	2	2
7	Other retail funding outflow	344	374	34	37
8	Brokered deposit outflow	342	421	137	169
9	**Unsecured wholesale funding outflow, of which:**	**25,208**	**27,754**	**13,223**	**14,383**
10	Operational deposit outflow	13,558	14,917	3,387	3,727
11	Non-operational funding outflow	11,650	12,837	9,836	10,656
12	Unsecured debt outflow	-	-	-	-
13	**Secured wholesale funding and asset exchange outflow**	**96,872**	**92,357**	**6,211**	**6,821**
14	**Additional outflow requirements, of which:**	**6,230**	**7,396**	**1,712**	**2,336**
15	Outflow related to derivative exposures and other collateral requirements	3,367	4,781	918	1,187
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	2,863	2,615	794	1,149
17	**Other contractual funding obligation outflow**	**3**	**1**	**3**	**1**
18	Other contingent funding obligations outflow	-	-	-	-
19	**TOTAL CASH OUTFLOW**	**129,070**	**128,374**	**21,322**	**23,749**
CASH INFLOW AMOUNTS					
20	**Secured lending and asset exchange cash inflow**	**104,660**	**106,694**	**7,145**	**7,944**
21	**Retail cash inflow**	**49**	**29**	**23**	**14**
22	**Unsecured wholesale cash inflow**	**1,295**	**1,447**	**1,243**	**1,440**
23	**Other cash inflows, of which:**	**40**	**14**	**40**	**14**
24	Net derivative cash inflow	1	1	1	1
25	Securities cash inflow	39	13	39	13
26	Broker-dealer segregated account inflow	-	-	-	-
27	Other cash i nflow	-	-	-	-
TOTAL CASH INFLOW		**106,044**	**108,184**	**8,451**	**9,412**
29	**HQLA AMOUNT** [1]			**22,693**	**22,867**
30	**TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON**			**12,871**	**14,337**
31	**MATURITY MISMATCH ADD-ON**			**56**	**63**
32	**TOTAL NET CASH OUTFLOW AMOUNT** [2]			**12,927**	**12,240**
33	**LIQUIDITY COVERAGE RATIO (%)**			**176%**	**187%**

(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*

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 Capital Requirements Regulation II (“CRR2”), the regulation which defines and implements the NSFR for the EU, was finalized in June 2019 and is effective from June 28, 2021. However, the Net Stable Funding Ratio: Final Rule, the regulation which defines and implements the NSFR for the US, is effective from July 1, 2021 having been published by Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (collectively, the agencies) in February 2021. In addition, the NSFR is not required to be reported externally in the US until 2022 and as a result the NSFR will not be included in the DB USA Pillar 3 until that time.