Deutsche Bank

DB USA Corporation
Pillar 3 Report 2021

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. On a European level these are implemented in the disclosure requirements pursuant to Part Eight of the "Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms" (Capital Requirements Regulation, or "CRR") and the "Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" (Capital Requirements Directive 4, or "CRD 4"). Germany implemented these CRD 4 requirements into national law in Section 26a of the German Banking Act ("Kreditwesengesetz" or "KWG"). Per regulation it is not required to have Pillar 3 disclosures audited. As such the information provided in this Pillar 3 Report is unaudited.

Additional Disclosure Requirements for Significant Subsidiaries

In line with Article 13 (1) CRR significant subsidiaries and those subsidiaries which are of significance for their local market are required to disclose information to the extent applicable in respect of own funds, capital requirements, capital buffers, credit risk adjustments, remuneration policy, leverage and use of credit risk mitigation techniques on an individual or sub-consolidated basis.

In order to identify significant subsidiaries a catalogue of criteria has been developed, applied to all subsidiaries classified as "credit institution" or "investment firm" under the CRR and not qualifying for a waiver status pursuant to Section 2a KWG in conjunction with Article 7 CRR. A subsidiary is required to comply with the requirements in Article 13 CRR (as described above) if at least one criterion mentioned in the list below has been met. The criteria have been defined in relation to our business activities as well as the complexity and risk profile of the respective subsidiary. All figures referenced below are calculated on an IFRS basis, where applicable, as of December 31, 2021:

— Total Assets of € 30 billion or more (on individual or sub-consolidated basis)
— Five percent or more of our risk-weighted assets (RWA) on group level
— 20 percent or more of the gross domestic product in its respective country, in which the subsidiary is located, but at least total assets of € five billion (on individual or sub-consolidated basis)
— Institutions directly supported by the European Stability Mechanism (ESM), European Financial Stability Facility (EFSF) or similar mechanisms
— Institutions belonging to the three largest institutions in their respective countries, in which the subsidiary is located (referring to the amount of total assets)
— Classification as "local systemically important institution" by the local competent authority

As a result of the selection process described above, DB USA Corp has been identified as "significant" for the Group and hence required to provide additional disclosure requirements in accordance with Article 13 CRR:

DB USA Corp publishes the Pillar 3 disclosure report on a quarterly basis on its website at https://www.db.com/ir/en/reports-and-events.htm.

All financial information disclosed is presented in USD and is rounded to the nearest million, with exception to certain tables in the Remuneration section which are reported in Euro. The consolidated financial balance sheet is based on DB USA Corp financial statements prepared in accordance with U.S. generally accepted accounting principles (US GAAP). Regulatory capital and credit exposure disclosures are based on DB USA Corp Consolidated Financial Statements for Holding Companies (FR Y-9C).

Location of Pillar 3 disclosures

The following table provides an overview of the location of the required Pillar 3 disclosures in this Pillar 3 Report.

Pillar 3 requirements topic with reference to CRR-Article	Primary location in this report
Main features of the CET1, AT1 and Tier 2 instruments, and reconciliation of filters/deductions applied to own funds and balance sheet (Article 437)	❖ "Regulatory Capital" ❖ "Reconciliation of Financial and Regulatory Balance Sheet"
Compliance to own funds requirements (Article 92)	❖ "Regulatory Capital table" table ❖ "Regulatory Capital Requirements and Risk-weighted Assets" table
Approach to assessing the adequacy of internal capital to support current and future activities (Article 438 (a)	❖ "Internal Capital Adequacy Assessment Process" section
Risk-weighted exposure amounts (Article 438 (c)-(f)	❖ "Gross exposure by asset class and geographical region" table ❖ "Gross exposure by class and residual maturity" table ❖ "Exposure values in the standardized approach by risk weight" table
Capital buffer (Article 440)	❖ "Minimum capital requirements and additional capital buffers" section. ❖ "Gross exposure by class and geographical region" table
Credit risk adjustments: information regarding exposure to credit risk and dilution risk (Article. 442)	❖ "Impairment loans, allowance for loan losses and coverage ratio by business divisions" table ❖ "Impairment loans, allowance for loan losses and coverage ratio by industry" table ❖ "Impairment loans, allowance for loan losses and coverage ratio by region" table ❖ "Impaired Loans" table
Remuneration policy (Article 450)	❖ "Remuneration policy" section
Leverage (Article 451)	❖ "Supplemental Leverage Ratio" section
Liquidity (Article 451a)	❖ "Liquidity" section
Use of credit risk mitigation techniques (Article 453)	❖ "Credit risk management" section

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").

DB Group offers a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world, organized under five corporate divisions as of December 31, 2021: Investment Bank (IB), Corporate Bank (CB), Private Bank (PB), Asset Management (AM) and Corporate & Other (C&O). DB USA predominately operates in three of these divisions: Investment Bank (IB), Corporate Bank (CB), and Private Bank (PB).

The main products and services currently offered by DB USA Corp include:

— Investment Bank (IB), primarily covers Markets which facilitates: (i) client financing services through repo and client cash prime brokerage/securities lending for Prime Finance clients, (ii) market-making activities and secondary market liquidity to clients in U.S. cash products across Rates, Credit, and Asset Backed Securities, (iii) hedging solutions and investment products to DB clients through market-making in listed derivatives (execution, clearing and settlement), and (iv) new issue and syndication of Investment Grade, High Yield, and Asset Backed Securities.

— Corporate Bank (CB), covers Corporate / Commercial clients, comprising Commercial Banking which provides lending including Residential Real Estate (RRE), Commercial Real Estate (CRE), structured loans and Lombard (margin) loans, and Global Transaction Banking (GTB). GTB comprises cash management (including overdraft facilities provided to clients), trade finance services (including letters of credit, financial supply chain management, accounts receivable purchasing, custom-made and performance-risk finance solutions for structured trade finance services and commodity trade finance services) and trust services, and advisory services across Mergers & Acquisitions, Equity Capital Markets (ECM), Debt Capital Markets (DCM), Leveraged Debt Capital Markets (LDCM), as well as funding and structuring client solutions.

— Private Bank (PB), comprises Wealth Management which offers high net worth clients a broad range of traditional and alternative investment solutions, providing a holistic service for all aspects of Wealth Management including deposit taking, discretionary portfolio management, trust services, and custody services to High Net Worth (HNW) and Ultra High Net Worth (UHNW) individuals.

The above corporate divisions are supported by several infrastructure functions including Risk, Finance, Operations, Technology, Compliance, Anti-Financial Crime, Legal, Human Resources and Research.

DB USA Corp integrates into the DB Group operations, policies and procedures as part of its core risk management framework as further elaborated in the next sections.

Risk Management Framework and Governance

Risk Management Framework

The risk management at DB USA Corp. is integral to DB Group's risk management framework and processes

- Core risk management responsibilities are embedded in the DB USA Corp. Board ("Board") and delegated to senior risk managers and senior risk management committees including the DB USA Corp. Risk Committee ("RiskCo")
- Organizational structures must follow the Three Lines of Defense ("3LoD") model with a clear definition of roles and responsibilities for all risk types.
  - Every employee must act as a risk manager consistent with our risk appetite, risk management standards and values.
  - The Management Board approved risk appetite must be cascaded and adhered to across all dimensions of the Group, with appropriate consequences in the event of a breach.
  - Risks must be identified and assessed.
  - Risks must be actively managed including via appropriate risk mitigation and effective internal control systems.
  - Risks must be measured and reported using accurate, complete and timely data using approved models.
  - Regular stress tests must be performed against adverse scenarios and appropriate crisis response planning must be established
  - The 1st Line of Defense ("1st LoD") refers to those roles in the Bank whose activities generate risks, whether financial or non-financial, and who own and are accountable for the risks which are generated in their respective organizations. The 1st LoD cannot delegate its accountability for the management of its own risks and must adhere to the standards set by the 2nd Line of Defense ("2nd LoD") as well as any applicable regulatory requirements. The 1st LoD manages these risks within the defined risk appetite, establishes an appropriate risk governance and risk culture.
  - The 2nd Line of Defense ("2nd LoD") refers to the roles in the Bank who define the risk management framework for a specific risk type. The 2nd LoD independently assesses and challenges the implementation of the risk type framework and adherence to the risk appetite, and acts as an advisor to the 1st LoD on how to identify, assess and manage risk.
  - The 3rd Line of Defense ("3rd LoD") is Group Audit, which is accountable for providing independent and objective assurance on the adequacy of the design, operating effectiveness and efficiency of the risk management system, systems of internal controls and governance of the 1st LoD and 2nd LoD.

The risk culture at DB USA Corp. is fully integrated in DB Group's risk culture framework and processes. The 3LoD risk management structure assigns risk ownership at the level of the businesses and individuals taking on the risks – 1st LoD. The 3LoD organization structure is designed to protect customers and shareholders against risk-based losses and the resulting reputational damage. The 3LoD structure ensures that all risks are taken on, and managed, in the best and long-term interest of the bank. The establishment of risk appetite, monitoring of risk levels against risk appetite and provision of challenge to risk management decisions is performed by independent control functions – second line of defense (2nd LoD). Independent assurance over the design and operation of controls, in turn, is provided by the third line of defense (3rd LoD). This structure ensures that all risks are identified and managed and that risk management accountabilities are clearly assigned. We expect employees to exhibit behaviours that support a strong risk culture in line with our Code of Conduct. To promote this, our policies require that risks taken (including against risk appetite) must be taken into account during our performance assessment and compensation processes. This expectation continues to be reinforced through communications campaigns and mandatory training courses for all DB employees. In addition, our Management Board members and senior management frequently communicate the importance of a strong risk culture to support consistent tone from the top.

Risk Governance

DB USA Corp. operations are regulated and supervised by the Federal Reserve Board (FRB). Such regulation focuses on licensing, capital adequacy, liquidity, risk concentration, conduct of business as well as organizational and reporting requirements. At the Group, the European Central Bank ("ECB") in connection with the competent authorities of EU countries which joined the Single Supervisory Mechanism via the Joint Supervisory Team, act in cooperation as primary supervisors to monitor DB Group's compliance with the German Banking Act and other applicable laws and regulations.

The risk management governance structure of DB USA Corp. is designed to ensure clear regional accountability that is commensurate with its risk profile, structure, complexity, activities and size. The organizational structure provides clear lines of accountability for monitoring risk and capital and escalating breaches of key capital and liquidity limits and thresholds as applicable. The Chief Risk Officer, Americas has responsibility for the risk management of DB USA Corp. which is inclusive of but not limited to, all Credit, Market, Liquidity and Non-financial risks as well as overseeing the measurement, aggregation and monitoring of risks and establishing a sound and strong risk culture and governance. Below are several examples of key DB USA Corp. governance bodies. More in depth risk management governance information can be found in Deutsche Bank AG`s Combined U.S. Operations (the "CUSO") Risk Management Framework.

DB USA Corp. Risk Committee ("RiskCo")

The DB USA. Board has delegated authority to the RiskCo to serve as the risk committee of DB USA and the CUSO, which serves as both a decision-making body and a forum for information sharing on risk issues.

The RiskCo is a committee of the DB USA Board and escalates issues that it cannot resolve to the DB USA Board. The RiskCo operates under a Board – approved Charter, which is reviewed annually and sets forth the committee's roles and responsibilities.

The RiskCo is responsible for approving / recommending for approval and periodically reviewing for DB USA and CUSO: key risk management policies, risk appetite and strategy, the DB USA capital plan.

Additionally, the RiskCo regularly reviews and discusses with management strategies as well as controls related to market, credit, operational, liquidity, compliance, reputational, climate and model risk management for DB USA and CUSO

U.S. (Operations) Management Risk Council ("U.S. MRC")

The U.S. (Operations) Management Risk Council (U.S. MRC) supports the management of the risk profile as well as the alignment of risk appetite, liquidity and funding within DB USA Corp. and the CUSO. The MRC has responsibility to oversee risk and capital management, monitor the compliance to the risk appetite and limits and act upon, or escalate any issues that fall within its remit. The MRC also supports DB USA Corp. with its capital adequacy planning as well as capitalization requirements and monitors the compliance with these.

The CRO, Americas is the Chairperson of the Council and the Chief Financial Officer (CFO), Americas is Vice Chairperson. In addition to the CRO, Americas, the MRC includes the heads of risk types (as members) and regional heads of business (as guests) to ensure the appropriate subject matter experts (SMEs) are responsible for review and recommendation of relevant risk matters.

U.S. Asset and Liability Management Council ("U.S. ALCo")

The mandate of the U.S. ALCo is to function as an advisory body for the Americas region, conveying the views of its members in order to assist the Americas Treasurer in respect to optimization of sourcing and deployment of the balance sheet and financial resources for the CUSO, within the overarching DB AG strategy set by Group and CUSO's risk appetite. Within this remit, the U.S. ALCo supports the Americas Treasurer with respect to monitoring and recommending actions to be taken around integrated balance sheet management, capital steering, liquidity and funding steering and structural risk positioning.

Risk Appetite and Capacity

Risk is taken and monitored within a defined risk appetite across various dimensions of DB USA Corp.'s activities, with appropriate consequences applied where appetite is breached.

Risk appetite represents the aggregate level and types of risk it is willing to assume relative to its risk capacity to achieve its strategic objectives. Risk capacity reflects the maximum level of risk it is able to assume given its current resources before breaching constraints determined by regulatory capital and liquidity needs, the operational environment (e.g. infrastructure, risk management capabilities, expertise), expectations and from a conduct perspective of key stakeholders.

DB USA Corp. is operating within DB's integrated risk appetite framework which articulates, monitors and effectively controls risk across multiple dimensions – at the DB Group (global), legal entity / branch and business unit level – which constrains the capacity of each dimension to take risk, aligned to business planning and strategy development. The risk appetite framework is a cornerstone of DB's risk culture in reinforcing risk awareness and embedding appropriate risk taking behavior required of all DB employees.

DB's risk appetite is driven and articulated by four key components that, together, should ensure the effective management of risk. These key components are:

- Strategic objectives: The articulation of risk appetite should be linked to the strategy and material risks of the Group, legal entity (subsidiaries and branches) or business unit.
- Qualitative statements: Clearly articulated statements should set the overall tone for the entity's approach to risk taking, including the motivations for taking on or avoiding certain types of risks, products, country / regional exposures, or other categories.
- Top-down allocation and calibration: The framework should define 'top-down' risk appetite relative to risk capacity across earnings, capital adequacy and liquidity which is allocated to risk types to support calibration of limits & thresholds.
- Quantitative risk appetite metrics: Key risk limits and thresholds should be cascaded and 'bottom up' calibrations aligned to achieve the allocated risk appetite outcomes.

DB USA Corp.'s Risk Appetite Statement is approved by the DB USA Board, upon recommendation from the DB USA RiskCo. Material risks are reviewed as part of the Risk Identification (Risk ID) process, which performs a comprehensive assessment of current, as well as new and emerging, risks driven by the business activities of the entity, and are considered when determining the setting of key limits and thresholds. Oversight of adherence to risk appetite is performed via the Risk & Capital Profile (RCP) Report on a monthly basis. Breaches of risk appetite, including failure to adhere to internal policies, have consequences for both businesses and individuals, such as reductions in the divisional or individual variable compensation due to "Red Flags" or disciplinary actions.

Risk and Capital Plan

Strategic and Capital Plan

Business strategy, foundational risk management and capital management are closely linked and interrelated processes at DB Group and at DB USA Corp.

DB USA Corp.'s capital planning process is closely linked to the Group's annual strategy setting and business planning cycle. Each business division engages in bottom-up legal entity planning to determine whether Group and divisional targets, including allocated resources, conform to entity-level constraints and risk appetite. This process provides a feedback loop in which the bottom-up entity-level planning is aligned with the top-down Group-level planning. Treasury is responsible for capital management at both DB USA Corp. and the Group and facilitates this feedback loop through dialogue with the Group's Treasurer and Group Risk Committee (GRC).

DB USA Corp. conducts annually integrated strategic planning process, which lays out the development of our future strategic direction as an entity and for our business areas. The strategic plan aims to create a holistic perspective on capital, funding and risk under risk-return considerations. This process translates our long-term strategic targets into measurable short-to medium-term financial targets and enables intra-year performance monitoring and management. DB USA Corp. aims to identify growth options by considering the risks involved and the allocation of available capital resources to drive sustainable performance. Risk-specific portfolio strategies complement this framework and allow for an in-depth implementation of the risk strategy on a portfolio level, addressing risk specifics including risk concentrations.

The strategic planning process consists of two phases: a top-down target setting and a bottom-up substantiation. In the top-down target setting, our key targets for profit and loss (including revenues and costs), capital supply, and capital demand as well as leverage, funding and liquidity are discussed for DB USA Corp. and the key business areas. In this process, targets are defined based on our global macroeconomic outlook and the expected regulatory framework. Subsequently, the targets are approved by management and the DB USA Corp. Board. In the bottom-up phase, targets are substantiated by detailed business unit plans. The proposed bottom-up plans are reviewed and challenged by Finance and Risk and are discussed individually with the business heads. The specifics of the business are considered, and concrete targets decided in line with DB USA Corp.'s strategic direction. Stress tests complement the strategic plan to also consider stressed market conditions.

Internal Capital Adequacy Assessment Process

DB USA Corp.'s internal capital adequacy assessment process (ICAAP) consists of several well established components which ensure that DB USA Corp. maintains sufficient capital to cover the risks to which the bank is exposed on an ongoing basis:

- The Risk ID process forms the basis of the ICAAP and results in an inventory of risks for DB USA Corp. All risks identified are assessed for their materiality. Further details can be found in the "Risk Identification and Assessment" section.
- Capital demand & capital supply: Risk measurement methodologies and models are applied to quantify the capital demand which is required to cover all material risks except for those which cannot be adequately limited by capital e.g. liquidity risk. Capital supply quantification refers to the definition of available capital resources to absorb unexpected losses. Further details can be found in the "Risk and Capital Management" section.
- Risk appetite: DB USA Corp. has established a set of qualitative statements, quantitative metrics and thresholds which express the level of risk that we are willing to assume to achieve our strategic objectives. Threshold breaches are subject to a dedicated governance framework triggering management actions aimed to safeguard capital adequacy. The risk management function continually analyses and monitors the risk profile of the business to ensure adherence to the approved plan, and to thresholds set for risk appetite metrics. Further details can be found in the sections "Risk Appetite and Capacity" section.

— The CUSO Risk Management Framework provides documentation of the risk governance and management framework of DB USA Corp. by main risk types as well as overall risk management practices in place. The monthly RCP Report is also used as a key tool to analyze, monitor and report DB USA Corp.'s risk and capital profile. It is also leveraged to oversee the development of key risk metrics compared to the established risk appetite thresholds and if necessary, escalate for management actions.
— Capital planning: The risk appetite thresholds for capital adequacy metrics constitute boundaries which have to be met in the strategic plan to safeguard capital adequacy on a forward-looking basis. The capital plan provides forward-looking aspects of DB USA Corp.'s business and risk strategy, broken down by key business activities. This overview supports the decision making processes of the relevant governance bodies over the course of the year. Further details can be found in the "Strategic and Capital Plan" section.
— Stress testing: Capital plan figures are also considered under various stress test scenarios to prove resilience and overall viability of the bank. Capital adequacy metrics are also subject to regular stress tests to constantly evaluate DB USA Corp.'s capital position in hypothetical stress scenarios and to detect vulnerabilities under stress. Further details can be found in the "Stress Testing" section.

Stress Testing

Stress testing is a key risk measurement practice which enables the Bank to evaluate the potential effects of a specific event and / or a movement in a set of risk factors (e.g. macroeconomic scenarios), on its overall portfolio. Stress testing plays an important role in a number of risk management activities, in particular risk management and risk mitigation as well as risk appetite and forward looking planning processes that account for DB USA Corp.'s unique risks and that ensure sufficient capital and liquidity to continue operations through times of economic and financial stress.

Management is responsible for initiating and properly documenting remedial measures and mitigating actions based on the stress test results in the context of the risk appetite, if deemed appropriate or necessary.

DB USA Corp. can identify and utilize additional types of stress testing to the extent such methods adhere to the DB USA Corp. Stress Testing Policy.

Capital Stress Testing

Capital stress testing is regularly performed to assess capital adequacy under stress for DB USA Corp. (including regulatory capital stress testing in accordance with the Federal Reserve's annual Comprehensive Capital Analysis & Review (CCAR) and the Dodd-Frank Act Stress Test (DFAST) requirements). The scenarios are defined both internally and by the Federal Reserve Board (FRB). The internally developed scenarios are designed to stress DB USA Corp.'s unique risk profile. In addition, where relevant and applicable, DB USA Corp. may also incorporate idiosyncratic features into its stress testing exercises to complement the scenario testing / scenario analysis as part of DFAST / CCAR.

Capital stress testing is integrated into the financial planning process. Stress tests of material risks and financial drivers are used to determine the impact to capital under severely adverse conditions. The results are incorporated into the strategic planning process and assessment of capital limits and targets.

In addition to CCAR and DFAST stress testing, DB USA Corp. management runs internal capital stress tests during subsequent quarters. Scenarios are developed based on current or projected events or on circumstances that will provide insights into DB USA Corp.'s unique risk profile to assist management and the Board in developing business strategy and allocating resources.

DB USA Corp. took part in the CCAR 2021 stress test and received a non-objection from the FRB to its capital plan.

Liquidity Stress Testing

DB USA Corp. performs local daily liquidity stress tests to satisfy Regulation YY regulatory requirements. Liquidity stress testing analyses DB USA Corp.'s ability to withstand predefined stress events under the condition that the net liquidity position should exceed the approved liquidity risk appetite. The sNLP is produced daily for each key legal entity in the CUSO, with corresponding risk appetite limits (board limits).

Risk and Capital Management

Capital Management

Group Treasury manages the solvency, capital adequacy and leverage at the Group level and locally in each region by legal entity. Treasury implements DB USA Corp.'s capital strategy, which is developed by management and approved by the Board, including any issuance and repurchases of capital instruments, and limit setting. The capital management function is integrated with the Group-wide strategic planning process which lays out the development of our future strategic direction as an entity and for the business divisions operating within the entity. The capital management function is informed by a comprehensive Risk ID and scenario design process, to ensure we maintain sufficient capital to face our risks and apply appropriate risk-management techniques to maintain adequate capitalization on an ongoing and forward looking basis.

Capital Adequacy Assessment

DB USA Corp. manages its capital position to ensure capital is more than adequate to support its business activities and to maintain capital, risk and risk appetite commensurate with each other. DB USA Corp.'s capital adequacy assessment process is focused on measuring capital and liquidity and assessing whether it is sufficient given the current and future risk profile, economic environment, business outlook and regulatory requirements. DB USA Corp. uses both base and stress macroeconomic and market scenario projections to manage its capital supply and demand levels over a nine-quarter projection horizon. Treasury is responsible for conducting the capital adequacy assessment and providing the necessary information for management to make recommendations to the Board regarding capital management and capital actions in line with business strategies.

DB USA Corp.'s capital adequacy assessment process is performed with Group-wide engagement, to ensure capital adequacy decisions are aligned with Group-wide planning and objectives as appropriate. Capital adequacy matters are discussed within Treasury and socialized with other Group level committees and senior management members.

DB USA Corp. measures capital adequacy against the Board approved risk appetite levels for post-stress capital goals, that considers not only regulatory minimums, but also the entity's risk profile, material legal entity capitalization levels, potential G-SIB surcharges, and importantly, the internal and external stakeholder expectations of our shareholder (i.e. the Group), clients, counterparties, rating agencies, creditors and regulators. Additionally, DB USA Corp. maintains a capital buffer above its post-stress capital goals to withstand a severe economic downturn and idiosyncratic risks to the entity. The capital buffer is informed by (1) the level of capital consumption under a severely adverse economic scenario including idiosyncratic event losses as part of our enterprise stress testing process, (2) a review of DB USA Corp.'s liquidity and funding profile during periods of stress and inclusion of any subsequent actions needed to maintain sufficient liquidity and funding, and (3) a review of the sensitivity analysis on capital to deviations in key assumptions and macroeconomic inputs to understand potential variability in capital supply and demand over the projection horizon.

DB USA Corp. measures capital adequacy for all internal and regulatory capital metrics defined in DB USA Corp.'s Capital Management Policy and Risk Appetite Statement.

Capital Instruments and Distributions

Treasury manages the issuance and repurchase of capital instruments, namely Common Equity Tier 1, Additional Tier 1 and Tier 2 capital instruments, as well as capital distributions from DB USA Corp. to the Group, and upstream distributions to DB USA Corp. from its operating subsidiaries. Prior to issuing or distributing capital in the form of regulatory capital instruments or common and preferred dividends, DB USA Corp. adheres to the guidelines and dividend pay-out ratio defined in its capital management policy that is approved by the Board. The capital management policy sets forth the criteria to inform the size and form of distributions, as well as triggers for the suspension of distributions such as a breach of internal capital buffers.

Capital Contingency Plan

DB USA Corp's Corp.'s Capital Contingency Plan (CCP) reflects DB USA Corp.'s strategies for identifying potential or actual capital shortfalls and provides a roadmap for prompt and specific actions to restore any current or prospective deficiencies in its capital to the levels defined in DB USA Corp.'s Capital Management Policy.

Treasury is responsible for ensuring that DB USA Corp.'s CCP is integrated with the Global Crisis Management and Recovery and Resolution Planning (RRP) framework through close coordination with Non-Financial Risk Management (NFRM) and Enterprise Risk Management (ERM). In addition, the CCP is closely aligned with the CUSO Contingency Funding Plan (CFP) in terms of escalations, governance and the availability of countermeasures. Countermeasures, in the context of the CCP, are defined as any contingency option that DB USA Corp. can execute to remedy current or projected future capital shortfalls.

The CCP also defines the CCP testing framework and Treasury works with Risk to facilitate an annual test of DB USA Corp.'s CCP to among other things, ensure that roles and responsibilities are up-to-date and capital countermeasures remain operationally viable.

Capital Plan

DB USA Corp. maintains and submits the Capital Plan submission to the FRB on an annual basis. The Capital Plan is a comprehensive assessment and documentation of capital adequacy and the capital planning process, prepared for and approved by the Board before being submitted to the FRB. The capital adequacy assessment, proposed capital distributions, and capital contingency plan are included in the Capital Plan submission.

The Capital Plan provides management and the Board with a comprehensive assessment of the business strategy and risks as well as the risk appetite. DB USA Corp. complies with the FRB's capital plan final rule requirement by including (1) an assessment of the expected uses and sources of capital over the planning horizon (at least nine projected quarters) that reflects its size, complexity, risk profile, and scope of operations, assuming both expected and stressful conditions; (2) a detailed description of DB USA Corp.'s process for assessing capital adequacy; (3) DB USA Corp.'s capital management policy; and (4) a discussion of any baseline changes to DB USA Corp.'s business plan that is likely to have a material impact on capital adequacy or liquidity.

Contingency Funding Plan

Utilizing the risk appetite framework and assuming Amber status, the recovery procedures as outlined in the Contingency Funding Plan (CFP) document how the DB USA can restore its financial strength and viability during an extreme stress situation (back to Green status). In particular, DB USA maintains a set of countermeasures managed by Treasury, with Risk oversight, which can be deployed before or during a crisis to mitigate the capital/liquidity impact of the stress events. These countermeasures are documented, refreshed regularly and tested, as applicable. These measures are meant to prepare DB USA so it can maintain its financial strength and viability during a period of extreme economic stress and the countermeasures are generally measures which would have a limited impact on DB USA's franchise or strategy.

Risk Identification and Assessment

The Risk ID Process is the process of identifying, measuring and quantifying material residual risks that arise from its business mix and associated exposures, as well as the complexity of its operations. Risk ID is a critical prerequisite for sound foundational risk management. The Risk ID Process is designed to be deeply integrated into the entire Risk Management function of DB USA Corp. and is involved in a range of use cases including capital planning, risk appetite, reporting and day-to-day risk management.

DB USA Corp. follows a structured Risk ID process to refresh its legal entity level risk inventory on a quarterly basis, the output of which is an inventory of material risks specific and unique to DB USA Corp. The Risk ID process is detailed, structured and well-governed, resulting in a comprehensive inventory of material risks at the legal entity level.

DB USA Corp.'s Risk ID process is centred on the capture of a granular and tangible list of descriptive risks to populate the entity's risk inventory. To ensure the Risk ID process is consistent and sustainable, it is important to first establish a sound methodology for risk identification leveraging several tools, which are reviewed and refreshed on a periodic basis. These tools include:

- A standard data model and template for collecting risks, including the nature of the specific risk and an assessment of the materiality of the risk.
- A common materiality grid to classify the materiality of a given risk based on an assessment of the likelihood of the risk materializing, as well as its potential severity across P&L, liquidity, regulatory and reputational impact.
- A standard risk type taxonomy used as a tool to check for comprehensiveness during the Risk ID process as well as to categorize risks that emerge from the exercise.

To ensure comprehensiveness and completeness of the Risk Inventory, each business segment will capture and assess material descriptive risks that they deem to be most relevant and critical to their businesses. These individual business assessments will then go through an aggregation and synthesis process before they are supplemented by a top down entity-level review via targeted workshops with subject matter experts, with particular focus paid to affiliate, macro / emerging and cross risks, as these risks typically arise at the entity level as opposed to in any individual business segment.

The final output of these workshops is the Legal Entity Inventory, which is then submitted for review and challenge to various regional governance committees including, but not limited to, the U.S. (Operations) Management Risk Council, DB USA Corp.'s Risk Committee and finally DB USA Corp.'s Board of Directors for approval.

A key requirement of a robust risk management framework is also that material risks are actively monitored given the rapid evolution of risks during periods of financial and / or operational stress. Beyond the quarterly refresh process that are multiple mechanisms in place to ensure that the risk profile of DB USA Corp. is regularly monitored, and new and emerging risks are highlighted to Senior Management within the region (e.g. Risk & Capital Profile reporting, Americas Weekly Risk Report). The Risk Type Control functions also monitor on an ongoing basis their portfolio and leverage and escalate issues if required.

Credit Risk Management

Credit risk arises from all transactions where actual, contingent or potential claims against any counterparty, borrower, obligor or issuer (which we refer to collectively as “counterparties”) exist, including those claims intended for distribution. These transactions are typically part of the traditional non-trading lending activities (such as loans and contingent liabilities), traded bonds and debt securities available for sale or our direct trading activity with clients (such as OTC derivatives). These also include traded bonds and debt securities. We manage the respective positions within our market risk and credit risk frameworks.

Based on the Risk Type Taxonomy, Credit Risk is grouped into five categories, namely default / migration risk, country risk, transaction / settlement risk (exposure risk), mitigation (failure) risk and credit concentration risk. This is complemented by a regular Risk ID and materiality assessment

- **Default / Migration Risk** as the main element of credit risk, is the risk that a counterparty defaults on its payment obligations or experiences material credit quality deterioration increasing the likelihood of a default.
- **Country Risk** is the risk that otherwise solvent and willing counterparties are unable to meet their obligations due to direct sovereign intervention or policies.
- **Transaction / Settlement Risk (Exposure Risk)** is the risk that arises from any existing, contingent or potential future positive exposure.
- **Mitigation Risk** is the risk of higher losses due to risk mitigation measures not performing as anticipated.
- **Credit Concentration Risk** is the risk of an adverse development in a specific single counterparty, country, industry or product leading to a disproportionate deterioration in the risk profile of Deutsche Bank’s credit exposures to that counterparty, country, industry or product.

U.S. Credit Risk Management (CRM) is an independent risk management function organized in alignment with the business divisions operating in the DB USA Corp. CRM identifies, measures, monitors and controls credit risk in accordance with the applicable risk appetite statement with the ability to implement corrective actions in a timely manner.

The U.S. CRM credit teams report to the Chief Credit Officer Americas regionally. CRM is also responsible for maintaining credit risk controls and will escalate concerns regarding the effectiveness of those controls to the MRC or the RiskCo as necessary.

We manage our credit risk using the following philosophy and principles:

- Our CRM function is independent from our business divisions and in each of our divisions, credit decision standards, processes and principles are consistently applied.
- A key principle of CRM is client credit due diligence. Our client selection is achieved in collaboration with our business division counterparts who stand as a 1st LoD.
- We aim to prevent undue concentration and tail-risks (large unexpected losses) by maintaining a diversified credit portfolio. Client, industry, country and product-specific concentrations are assessed and managed against our risk appetite.
- We maintain underwriting standards aiming to avoid large undue credit risk on a counterparty and portfolio level. In this regard we assume unsecured cash positions and actively use hedging for risk mitigation purposes. Additionally, we strive to secure our derivative portfolio through collateral agreements and may additionally hedge concentration risks to further mitigate credit risks from underlying market movements.
- Every new credit facility and every extension or material change of an existing credit facility (such as its tenor, collateral structure or major covenants) to any counterparty requires credit approval at the appropriate authority level. We assign credit approval authorities to individuals according to their qualifications, experience and training, and we review these periodically.
- We have established within CRM – where appropriate – specialized teams for deriving internal client ratings, analyzing and approving transactions, monitoring the portfolio or covering workout clients. Within our transaction approval pillar, structured credit risk management teams are in place, aligned to specific lending businesses.
- Where required, we have established processes to report credit exposures at legal entity level.

DB USA Corp. adheres to the DB Group credit authority scheme & all DB USA Corp. credit decisions must be made by DB Group credit officers with the appropriate levels or categories of credit authority delegation. Furthermore, a DB USA Corp. credit decision requires an approval from a U.S. based credit officer to ensure that the credit exposure meets the legal entity risk appetite. Credit Risk is measured by credit rating, regulatory and internal capital demand and key credit metrics.

Managing and Mitigation of Credit Risk

Managing Credit Risk on Counterparty Level

Credit-related counterparties are principally allocated to credit officers within credit teams which are organized by types of counterparty (such as financial institutions, corporates or private individuals) or economic area (e.g. emerging markets) and dedicated rating analyst teams where deemed necessary. The individual credit officers have the relevant expertise and experience to manage the credit risks associated with these counterparties and their associated credit related transactions. It is the responsibility of each credit officer to undertake ongoing credit monitoring for their allocated portfolio of counterparties. We also have procedures in place intended to identify at an early stage credit exposures for which there may be an increased risk of loss.

In instances where we have identified counterparties where there is a concern that the credit quality has deteriorated or appears likely to deteriorate to the point where they present a heightened risk of loss in default, the respective exposure is generally placed on a “watchlist”. We aim to identify counterparties that, on the basis of the application of our risk management tools, demonstrate the likelihood of problems well in advance in order to effectively manage the credit exposure and minimize potential losses. The objective of this early warning system is to address potential problems while adequate options for action are still available. This early risk detection is a tenet of our credit culture and is intended to ensure that greater attention is paid to such exposures.

Credit limits are established by the CRM function via the execution of assigned credit authorities. This also applies to settlement risk that must fall within limits pre-approved by CRM considering risk appetite and in a manner that reflects expected settlement patterns for the subject counterparty. Credit approvals are documented by the signing of the credit report by the respective credit authority holders and retained for future reference.

Credit authority is generally assigned to individuals as personal credit authority according to the individual’s professional qualification, experience and training. All assigned credit authorities are reviewed on a periodic basis to help ensure that they are commensurate with the individual performance of the authority holder.

Where an individual’s personal authority is insufficient to establish required credit limits, the transaction is referred to a higher credit authority holder or where necessary to an appropriate credit committee.

Mitigation of Credit Risk on Counterparty Level

In addition to determining counterparty credit quality and our risk appetite, we also use various credit risk mitigation techniques to optimize credit exposure and reduce potential credit losses. Credit risk mitigants are applied in the following forms:

- Comprehensive and enforceable credit documentation with adequate terms and conditions.
- Collateral held as security to reduce losses by increasing the recovery of obligations.
- Risk transfers, which shift the loss arising from the probability of default risk of an obligor to a third party including hedging executed by Strategic Corporate Lending (SCL).
- Netting & collateral arrangements which reduce the credit exposure from derivatives and securities financing transactions.

Collateral

DB USA Corp.'s subsidiaries regularly agree on collateral to be received from or to be provided to customers in contracts that are subject to credit risk. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the counterparty default risk or improving recoveries in the event of a default. While collateral can be an alternative source of repayment, it generally does not replace the necessity of high quality underwriting standards and a thorough assessment of the debt service ability of the counterparty.

We segregate collateral received into the following two types:

- Financial and other collateral, which enables us to recover all or part of the outstanding exposure by liquidating the collateral asset provided, in cases where the counterparty is unable or unwilling to fulfil its primary obligations. Cash collateral, securities (equity, bonds), collateral assignments of other claims or inventory, equipment (i.e. plant, machinery and aircraft) and real estate typically fall into this category. All financial collateral is regularly, mostly daily, revalued and measured against the respective credit exposure. The value of other collateral, including real estate, is monitored based upon established processes that includes regular revaluations by internal and/or external experts.
- Guarantee collateral, which complements the counterparty's ability to fulfil its obligation under the legal contract and as such is provided by third parties. Letters of credit, insurance contracts, export credit insurance, guarantees, credit derivatives and risk participations typically fall into this category. Guarantee collateral with a non-investment grade rating of the guarantor is limited.

Our processes seek to ensure that the collateral we accept for risk mitigation purposes is of high quality. This includes seeking to have in place legally effective and enforceable documentation for realizable and measurable collateral assets which are evaluated regularly by dedicated teams. The assessment of the suitability of collateral for a specific transaction is part of the credit decision and must be undertaken in a conservative way, including collateral haircuts that are applied. We have collateral type specific haircuts in place which are regularly reviewed and approved. In this regard, we strive to avoid "wrong-way" risk characteristics where the borrower's counterparty risk is positively correlated with the risk of deterioration in the collateral value. For guarantee collateral, the process for the analysis of the guarantor's creditworthiness is aligned to the credit assessment process for counterparties.

Netting and Collateral Arrangements for Derivatives and Securities Financing Transactions

Netting is applicable to both exchange traded derivatives and over-the-counter ("OTC") derivatives. Netting is also applied to securities financing transactions as far as documentation, structure and nature of the risk mitigation allow netting with the underlying credit risk.

All exchange traded derivatives are cleared through central counterparties ("CCPs"), which interpose themselves between the trading entities by becoming the counterparty to each of the entities. Where legally required or where available and to the extent agreed with our counterparties, we also use CCP clearing for our OTC derivative transactions.

The rules and regulations of CCPs typically provide for the bilateral set off of all amounts payable on the same day and in the same currency ("payment netting") thereby reducing our settlement risk. Depending on the business model applied by the CCP, this payment netting applies either to all of our derivatives cleared by the CCP or at least to those that form part of the same class of derivatives. Many CCP rules and regulations also provide for the termination, close-out and netting of all cleared transactions upon the CCP's default ("close-out netting"), which reduced our credit risk. In our risk measurement and risk assessment processes we apply close-out netting only to the extent we believe that the relevant CCP's close-out netting provisions are legally valid and enforceable.

In order to reduce the credit risk resulting from OTC derivative transactions, where CCP clearing is not available, DB USA Corp. regularly seeks the execution of standard master agreements (such as master agreements for derivatives published by the International Swaps and Derivatives Association, Inc. (ISDA)) with our counterparts. A master agreement allows for the close-out netting of rights and obligations arising under derivative transactions that have been entered into under such a master agreement upon the counterparty's default, resulting in a single net claim owed by or to the counterparty. For certain parts of the derivatives business (i.e. foreign exchange transactions) we also enter into master agreements under which payment netting applies in respect to transactions covered by such master agreements, reducing our settlement risk. In our risk measurement and risk assessment processes we apply close-out netting only to the extent we have satisfied ourselves of the legal validity and enforceability of the master agreement in all relevant jurisdictions.

Also, we enter into credit support annexes (“CSA”) to master agreements in order to further reduce our derivatives-related credit risk. These annexes generally provide risk mitigation through periodic, usually daily, margining of the covered exposure. The CSAs also provide for the right to terminate the related derivative transactions upon the counterparty’s failure to honor a margin call. As with netting, when we believe the annex is enforceable, we reflect this in our exposure measurement.

Certain CSAs to master agreements provide for rating-dependent triggers, where additional collateral must be pledged if a party’s rating is downgraded. We also enter into master agreements that provide for an additional termination event upon a party’s rating downgrade. These downgrade provisions in CSAs and master agreements usually apply to both parties but in some agreements may apply to us only. We analyze and monitor our potential contingent payment obligations resulting from a rating downgrade in our stress testing approach for liquidity risk on an ongoing basis.

Concentrations within Credit Risk Mitigation

Concentrations within credit risk mitigations taken may occur if a number of guarantors and credit derivative providers with similar economic characteristics are engaged in comparable activities with changes in economic or industry conditions affecting their ability to meet contractual obligations. We use a range of tools and metrics to monitor our credit risk mitigating activities.

On a portfolio level, significant concentrations of credit risk could result from having material exposures to a number of counterparties with similar economic characteristics, or who are engaged in comparable activities, where these similarities may cause their ability to meet contractual obligations to be affected in the same manner by changes in economic or industry conditions. Our portfolio management framework supports a comprehensive assessment of concentrations within our credit risk portfolio in order to keep concentrations within acceptable levels.

Market Risk Management

Market Risk Management (MRM) is part of our independent Risk function and sits within the Market and Valuations Risk Management (MVRM) group. One of the primary objectives of MRM is to ensure that our business divisions’ risk exposure is within the approved risk appetite commensurate with its defined strategy. To achieve this objective, MRM works closely together with risk takers (“the business divisions”) and other control and support groups.

Market risk arises from the uncertainty concerning changes in market prices and rates (e.g. interest rates, equity prices, Foreign Exchange (FX) rates, and commodity prices), the correlations among them, and corresponding levels of volatility.

Americas MRM identifies, monitors and measures various types of market risk including:

- Interest rate risk;
- FX risk;
- Credit risk;
- Commodity risk;
- Equity risk; and,
- Cross asset risks.

DB USA Corp. encounters market risk by making markets and taking positions in debt, equity, foreign exchange, other securities and commodities; as well as in equivalent derivatives, whether in the trading book, banking book or off balance sheet.

The Americas MRM framework is aligned with the DB USA Corp. structure, risk profile, complexity, activities and size and is consistent with DB Group's enterprise-wide risk management processes. The responsibilities of Americas MRM are supported by a dual reporting organizational structure, wherein the various US asset class heads have dual reporting lines into the Americas Head of MVRM, as well as into the corresponding global heads.

The Americas Head of MVRM has overall responsibility for market risk and valuation risk at DB USA Corp. and serves as the chairperson of the Americas MRM Risk Council. The Americas MRM Risk Council's mandate is to actively govern and monitor market risks at DB USA Corp. The Council serves as an advisor to the US MRC, the mandate of which is to support the management of the risk profile as well as the alignment of risk appetite and funding within DB USA. Valuation risk represents the risk of failing to independently verify front office mark-to-market prices and ensuring they are appropriate for fair valuation accounting purposes. This risk also includes capital implications to the firm as it pertains to prudent valuation

Market Risk Identification

Consistent with DB Group's policies and principles, the management of market risk at the DB USA Corp. is underpinned by a robust, comprehensive and rigorous Risk ID process to ensure that all relevant material market risks are identified, understood and measured whether captured in the Trading Book or Banking Book. MRM identifies all relevant market risks in a comprehensive, detailed and interconnected manner with appropriate supervision supporting both initial and ongoing discovery; covers all relevant risks, core and non-core; employs approved risk metrics and measurement approaches appropriate to each risk to quantify potential losses and employs stress testing and other supporting analysis and measures which capture portfolio-specific risks and strategies. Risks must be identified at least quarterly and added to the Risk Inventory as needed; the Top Risk Report and Weekly Portfolio Risk Pack are the primary sources for group level material market risks.

Market Risk Measurement

We aim to accurately measure all types of market risks by a comprehensive set of risk metrics embedding accounting, economic and regulatory considerations.

We measure market risks by several internally developed key risk metrics and regulatory defined market risk approaches.

The portfolio risk tools utilized by MRM to measure market risk are:

- VaR, including SVaR and Contributory VaR;
- Greeks, including delta, gamma, vega, theta, CS01 and IR01; and
- Portfolio Stress Testing (PST).

The supplementary risk measures utilized by MRM to manage & identify market risk are:

- Market Value / Notional;
- Sensitivities; and
- Traded Default Risk (TDR).

DB USA's market risk appetite is set taking into consideration the risk objectives of the legal entity, including:

- Controlling exposure to material concentrations and illiquid markets and products.
- Ensuring earnings stability and capital affordability of market risk losses, irrespective of regulatory capital treatment and accounting classification that may arise from idiosyncratic and systemic events, including outright basis and gap risks.
- Ensuring that the market risks taken are within DB's operational capacity to manage them effectively.

The MR limits framework is measured using VaR and portfolio stress testing and is aligned to risk appetite, earnings stability and capital adequacy. MRM calibrates the limits and transmits the limits and calibration criteria to the RiskCo for limit approval.

Market Risk Management and Mitigation

Through the use of the key market risk management metrics, Americas MRM continuously monitors risks at different levels of aggregation (e.g. country, index, issuer) to capture specific dynamics of portfolios under management. Limits may be, and in certain cases are required to be, set against one or more of these metrics. MRM sets, monitors and enforces such limits in accordance with the Limits Framework, cascading bank risk strategy and appetite into granular limits and, where appropriate, defining supplementary limits and thresholds to control portfolio-specific risks.

MRM has in place a comprehensive framework for the management of the market risks to ensure:

- Market risks are identified, assessed and managed;
- Appropriate calculation and analysis of impact of market risks on economic and regulatory capital;
- Independent assessment of business risk decisions and communication to stakeholders; and
- Independent oversight of the market risk management activities of the risk taking business.

Risk mitigation and control is achieved through the Market Risk Limits Framework which supports MRM's independent oversight of the risk taking functions and ensures that all risks taken are within the Risk Appetite and management mandated boundaries. The MRM limits framework defines the minimum standard of limits including: 1) Management Board defined limits; 2) the Framework of Business Line Limit Strategies to monitor and control the risks specific to individual business lines; 3) the Framework for monitoring limit utilization; and 4) the Framework for the review of limits. Limits may be, and in certain cases are required to be, set against any of the above MRM metrics. MRM may also introduce other limits, as appropriate, (e.g., aging or management action triggers, etc.).

Liquidity Risk Management

Liquidity risk is the risk arising from our potential inability to meet all payment obligations when they come due or only being able to meet these obligations at excessive costs. The objective of DB USA Corp.'s liquidity risk management framework is to ensure that DB USA Corp. can fulfill its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The framework considers relevant and significant drivers of liquidity risk, whether on-balance sheet or off-balance sheet.

Liquidity risk concentrations can be found along products, regions, currencies, tenors and clients, and may represent the potential inability to meet all payment obligations when due, or to only meet these obligations at excessive costs.

Treasury is mandated to manage the overall liquidity and funding position of the Bank, with Liquidity Risk Management (LRM) acting as an independent control function. LRM is responsible for reviewing the liquidity risk framework, proposing the risk appetite limits and stress test scenarios, and the conceptual review of Liquidity Risk models which are developed by Treasury, to measure and manage the liquidity risk profile.

Treasury manages liquidity and funding, in accordance with the Management Board-approved risk appetite across a range of relevant metrics and implements a number of tools to monitor these and ensure compliance. In addition, Treasury works closely with LRM and business divisions, to identify, analyze and understand underlying liquidity risk characteristics within business portfolios. These parties are engaged in regular dialogue regarding changes in the Bank's position arising from business activities and market circumstances. Dedicated business and key legal entity limits and thresholds exist to ensure DB operates within its overall liquidity and funding risk appetite.

LRM serves as a 2nd LoD and is accountable for overseeing and evaluating the effectiveness of the liquidity management activities performed by Treasury and 1st LoD. LRM serves as the 2nd LoD within the context of liquidity risk, and directly supports the Americas CRO in overseeing the liquidity risk management framework for the DB Americas region. At least annually, LRM reviews and evaluates the adequacy and effectiveness of DB's liquidity risk management processes including its liquidity processes and assumptions, assesses whether DB's operations comply with applicable laws, regulations, supervisory guidance, and sound business practices and report material issues to the RiskComitee.

Liquidity Risk Monitoring

DB USA must comply with U.S. regulatory and business driven liquidity requirements during both normal and stress scenarios (i.e. severe combined market and idiosyncratic liquidity stress event), while still maintaining a prudent net liquidity buffer and operating in a manner which preserves market confidence in the credit quality of DB. The liquidity and funding risk management framework ensures that DB USA can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. LRM monitors and may restrict excessive concentrations from a liquidity and funding perspective.

LRM establishes and reviews the liquidity risk appetites for DB USA Corp. In addition, LRM proposes, sets and monitors related limits. Specifically, LRM reviews, at least annually, the liquidity risk limits of DB USA Corp. and proposes changes to liquidity risk limits to the applicable governance bodies for approval.

Several tools are used to measure and manage short and long-term liquidity risk:

1. **Ongoing liquidity and cash reporting / forecasting** is produced to project sources and uses of cash and liquidity. On a daily basis, Treasury will forecast expected changes in cash based on inputs from key businesses.
2. **Liquidity stress testing** analyses DB's ability to withstand predefined stress events under the condition that the net liquidity position should exceed the approved liquidity risk appetite. The sNLP is produced daily for DB USA Corp., and each key legal entity in the CUSO, with corresponding risk appetite limits (board limits).
3. **Legal entity thresholds** are used to monitor excessive concentration by product, counterparty and tenor.

Within DB USA Corp., Treasury utilizes a subset of the tools referenced above, tailored to the specific nature and needs of DB USA Corp. and its underlying entities and specified in the Liquidity Management Policy.

Treasury employs a range of tools and actions to mitigate liquidity risk:

- Maintaining a Liquidity Reserve that encompasses eligible and unencumbered cash and securities to ensure DB USA Corp. can access funds under stressed conditions;
- An internal transfer pricing framework to ensure that: (i) assets are priced in accordance with their underlying liquidity risk; (ii) liabilities are priced in accordance with their funding maturity; and (iii) contingent liquidity exposures are priced in accordance with the cost of providing for commensurate liquidity reserves to fund unexpected cash requirements;
- Issuance of debt instruments in accordance with the annual funding plan approved by the DB USA Corp. Board.
- Defined countermeasures, inclusive of asset monetization, that may be used in a time of stress to improve the liquidity and cash position.

The Liquidity Dashboard is a daily report used to monitor and manage liquidity comprising key metrics such as risk appetite limits, legal entity thresholds and Early Warning Indicators (EWIs).

Non-Financial Risk Management

Non-Financial Risks (NFR) comprise both Operational Risk and Reputational Risk and their sub-risk types. Operational Risk (OR) is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events.

OR / NFR operates in several different capacities within DB USA Corp. and its roles can be broadly segmented between a framework which includes governance and oversight as well as its responsibility as a risk type controller.

NFRM establishes and maintains the Operational Risk Framework at the Group and local levels. The Operational Risk Framework consists of five major building blocks:

1. Risk Identification
2. Risk Assessment
3. Risk Mitigation
4. Risk Monitoring
5. Risk Capital

These building blocks apply to all risk types covered by the Non-Financial Risk Type Taxonomy (NFRTT). The Operational Risk Framework supports the 1st LoD in the fulfilment of their obligations to proactively manage operational risks which originate in their organization. Additionally, NFRM monitors and challenges the implementation of the framework components and reviews overall risk levels against risk appetite.

Measurement and Monitoring

Risk Monitoring includes (a) Risk Appetite & Metrics, (b) Top Risk Reporting and (c) Consequence Management.

The NFR Appetite Framework provides a common approach to establish, measure and monitor the level of operational risk appetite across DB, and ensures that breaches are highlighted for review and action, and provides a consistent risk measure that can then be used in the risk assessment and for capital allocation. The key elements of the NFR Appetite Framework are qualitative risk appetite statements that set the level of risk taking across DB at risk type level 2 of the NFRTT, quantitative risk appetite metrics and thresholds, risk appetite reporting and breach management. In line with the NFR Appetite Framework, NFR identifies Key Risk Indicators (KRIs) to monitor risk levels and the utilization of risk appetite. KRIs act as a warning signal, indicating a potential shift in the business environment.

NFRM use a number of mechanisms to measure and monitor the level of NFR.

Internal / External Incident Data: NFRM identifies, collects, categorizes and reports on internal and external loss incidents and near misses attributable to control failures in the global dbIRS system. NFRM also works with business and infrastructure functions to perform Lessons Learned and Read Across reviews identify means to strengthen the control environment in light of prior incidents.

Risk & Control Assessment (RCA): An ongoing process in which the business proactively identifies and analyzes relevant non-financial risks and assesses the effectiveness of the controls to mitigate those risks. Scenarios are developed as the output of RCA to complement the representative Non-Financial Risk coverage for inclusion in capital planning.

Transformation Risk Assessments: An ongoing process in which DB assesses and manages the non-financial risks associated with material change initiatives / programs.

New Product Approval: Risk Management has implemented a product governance framework with clear responsibilities allocated to manage the risks associated with the introduction of new products and changes to existing products. Proposals to launch new businesses or new products, services, businesses and markets, as well as a material transfer of a business from one Business Division to another or transfer of business activities from one Entity or Branch to another must be reviewed & approved in accordance with the Product Lifecycle Policy and Structured Transaction Lifecycle Policy as applicable, and may be required for changes to existing products, services, businesses and markets. The approval process involves review & sign-off by the various control functions and senior business management. The NPA / NTA process aims to ensure that: (i) the Bank is operationally ready to commence new products / services; (ii) new products / services adhere to internal policies & standards as well as regulatory requirements; & (iii) residual risks (financial and non-financial) are known & controlled.

Reputational Risk

The brand and reputation of DB USA Corp. is founded on trust from its employees, clients, shareholders, regulators and from the public in general. It is the responsibility of every employee within DB USA Corp., and of the utmost importance, to prevent isolated events from undermining that trust and negatively impacting DB USA Corp.'s brand and reputation.

DB USA Corp. seeks to minimize its exposure to reputational risk as reputational risk cannot be precluded and is driven in part by unforeseeable changes in perception of processes by various stakeholders (e.g., public / clients, shareholders, regulators etc.) DB USA Corp. strives to promote sustainable standards that will enhance profitability and minimize the risk that any association, action, or inaction is perceived by stakeholders to be inappropriate, unethical or, inconsistent with DB USA Corp.'s values and beliefs.

The Reputational Risk Framework (the Framework) is in place to manage the process through which active decisions are taken on matters which may pose a reputational risk, before the event, and in doing so to prevent damage to Deutsche Bank's reputation wherever possible. The Framework provides consistent standards for the identification, assessment and management of reputational risk issues. Reputational impacts which may arise as a consequence of a failure from another risk type, control or process are addressed separately via the associated risk type framework.

Governance and Organizational Structure

The governance of NFR is achieved through a hierarchy of governance bodies across all 3 LoD functions including business divisions and infrastructure functions. NFRM, as 2nd LoD risk type owner is also responsible for independently monitoring the adherence to minimum control standards as well as taking a holistic view of the risk types across the organization to provide thematic assessments and identify potential emerging risks.

The DB USA Corp. NFRM Framework leverages global frameworks defined at the Group level and integrates required enhancements to support regional needs. The NFRM Framework is implemented and executed as part of business as usual risk management, to actively manage risks and to inform capital planning.

NFRM Business Coverage teams have a mandate to actively engage with business divisions and infrastructure functions to enable effective risk management. NFRM plays an active role in coordinating and facilitating the management of open issues, supporting businesses in completing RCAs as well as providing independent review and challenge throughout the RCA cycle. NFRM coverage teams have a mandate to actively engage with business divisions and infrastructure functions to enable effective risk management. NFRM plays an active role in identification, monitoring and management of material NFRs in support of their business. NFRM coverage teams provide independent review and challenge throughout the assessment cycle; support the business in monitoring risk appetite and coordinate/facilitate lessons learned and thematic reviews for significant events (loss or near miss) in the region.

NFRM Operational Resilience team ensures effective management for Business Disruption Risk. They define risk appetite, maintain minimum control standards, and establish a culture of continuous improvement across business and infrastructure divisions.

NFRM RCA and Capital team develops, enhances and oversees the framework for the quarterly Risk Control Assessment and is responsible to establish and oversee the Operational Risk Loss Projection for the Risk Capital process.

NFRM Third Party Risk Management team facilitates the identification, assessment, mitigation and monitoring of risk associated with Third Party service relationships.

NFRM Governance and Reporting team supports reporting of business divisions and legal entities risk profiles including Top Risk, risk appetite, loss and control environment reporting across all Americas governance forums, The Head of NFRM Americas is responsible for supporting the 1st LoD in improving risk management over non-financial risks, strengthening controls, in support of profitable growth in the region within risk appetite. The Head of the NFRM Americas provides independent assessment and effective challenge of risks and controls, policies, standards, remediation strategies, control frameworks, and governance.

Model Risk Management

The use of models invariably presents model risk, which is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. Model risk can lead to financial loss, poor business or strategic decision making, or damage our reputation. The term 'model' refers to an estimation approach i.e. quantitative method, system, or approach that applies statistical, economic, financial, or mathematical theories, techniques, and assumptions to process input data into quantitative estimates. The CUSO´s Model Risk Management (MoRM) Policy applies to two broad based types of estimation approaches, distinguished by the approach to their construction; statistical/financial/mathematical, or data-informed expert judgment, unless noted otherwise. These two types of estimation approaches include:

- A model, which refers to a mathematical relationship that is derived using statistical inference or financial or mathematical theory to produce quantitative estimates.
- A Non-Model Estimate (NME), which refers to a mathematical relationship that is derived primarily using qualitative assessments and expert judgment to produce quantitative estimates.

The below rules-based approaches that feed into model/NME structures impacting Capital Planning and Stress Testing are also in the scope of MoRM oversight at discretion of Head of MoRM Americas.

- A non-model calculation (NMC) refers to a rules-based approach which applies solely deterministic calculations with no required assumptions to fully observable inputs to produce an output that has no risk of core processing error. NMC does have implementation and use risk

The MoRM Framework has been designed to promote consistent identification, measurement, and mitigation of model risk across the Entity at each stage of the model lifecycle. This includes outlining the proper steps to develop and implement models fit for purpose, and to maintain appropriate controls. To achieve this, DB USA Corp. adopts risk-based model risk management activities which seek to promote efficient and effective validation processes. At every stage of the lifecycle, priority is given to the models which pose higher risk to the entity as measured by the factors including, but not limited to, the model's materiality, complexity, uncertainty and reliance.

- Model identification occurs when a new model is recognized. This includes the development of a new model or a new use for an existing model. The model inventory functions as a central repository for information about all models in DB USA Corp., including their intended uses. The inventory covers all internally developed and vendor models that are being on boarded, in-development, active, or retired.
- Models must be implemented in line with specified requirements and be accompanied by complete documentation. The Model Developer is responsible for carrying out the implementation of a model to specification, or alternatively outsourcing implementation to a technology servicer.
- The purpose of model validation is to independently review all models to determine if they are suitable for their intended use. Validation comprises determining whether models are appropriately designed, supported empirically, and implemented for their intended scope and purpose. Models will be periodically revalidated to determine if they continue to be suitable for their use, and whether they have performed as intended while in use. All models are subject to model validation prior to approval for use unless an exception (e.g. provisional approval) is granted.
- Model approval is granted for its specified use based on the outcome of the model validation process. Model approvals are required for a newly developed model, a new vendor model, or an additional use of an existing model.
- All models used within DB USA Corp. must be validated and approved before they can be used.

Compliance Risk Management

Compliance risk is the risk of incurring criminal or administrative sanctions, financial loss or damage to DB USA Corp.'s reputation as a result of failing to comply with laws, regulations, rules, expectations of regulators, the standards of self-regulatory organizations, codes of conduct / ethics in connections with the Bank's regulated activities. Compliance is the Risk Type Controller for the following risk types: Client Focused and Market Focused Activities.

Compliance Risk Monitoring

Compliance, as an independent 2LoD control function, establishes an overarching US Compliance Framework and overseeing the coordination of 1LoD and 2LoD efforts to manage compliance risk. Compliance's 2LoD roles include:

- Acting as a trusted advisor in providing review and challenge to the 1LoDs and 2LoDs regarding their compliance risk management responsibilities, including operating in an ethical and lawful manner and safeguarding DB's integrity and reputation, and regarding existing and emerging Rules, and Findings pertaining to compliance risks.
- Providing training and education to all LoDs regarding Compliance risks and coordinating related training provided by all other LoDs.
- Testing, monitoring, and assessing the existence and effectiveness of Level 1 controls to manage compliance risk and monitoring remediation of identified issues.
- Establishing policies applicable to all LoDs to promote compliance risk management.
- Developing a risk appetite with respect to Compliance areas of coverage for DB USA Corp., which is approved by senior management.
- Making recommendations to senior management and applicable governance bodies regarding the adoption and implementation of Compliance Risk Appetite.
- Monitoring and reporting to senior management and applicable governance bodies regarding, conformance with Compliance Risk Appetite.
- Providing Compliance oversight of the 1LoD and 2LoD units' design and implementation of processes and controls required by the Compliance Framework across DB USA Corp.
- Promoting, in partnership with the business, an enterprise-wide culture ofcompliance.

Anti-Financial Crime Risk Management

Anti-Financial Crime (AFC) risk is the risk of incurring criminal or administrative sanctions, material financial loss or damage to DB USA Corp.'s reputation as a result of failure to comply with laws, regulations, rules, self-regulatory organizational standards, codes of conduct / ethics and standards of practices as they pertain to Anti-Money Laundering, Sanctions, Fraud and Anti-Bribery & Corruption.

AFC, as a second LoD control function, establishes an overarching framework of controls designed to manage financial crimes-related risk throughout DB USA Corp. AFC operates as an independent control function within the Bank to perform such second LoD tasks as:

- Maintaining an effective risk management framework that includes setting and monitoring relevant control standards;
- Defining the risk management framework and processes to mitigate financial crime risk; and
- Establishing an AFC specific governance process designed to facilitate management of financial crimes risk.

Risk and Capital Performance

Variance Commentary

Regulatory Capital:

The Common Equity Tier 1 Capital Ratio for December 2021 is 26.72%, down 99bps from December 2020. This is largely attributable to the lower CET1 capital balance down $0.6 billion as a result of a $1 billion repayment of the class B preferred stock during Q3, offset by an increase in Retained Earnings of $0.4 billion due to the Net Income during the year of $0.7 billion less dividends paid of $0.3 billion.

Balance Sheet (Exposures):

The December 2021 Balance Sheet increased $11.8 billion to $121.7 billion compared with December 2020. Increase was attributable to Cash placed at the Federal Reserve Bank (increase $8.0 billion), Other Assets (increase $2.2 billion) and Securities Purchased under agreements to Resell (increase $1.4 billion).

Off-Balance Sheet (Exposures):

The December 2021 Off Balance Sheet decreased $2.3 billion to $24.2 billion compared with December 2020. Decrease was attributable to a decrease in repo style transactions.

Risk Weighted Assets (RWA):

The December 2021 RWA increased $2.9 billion to $39.2 billion as compared with December 2020. This was largely due to the increase in market risk weighted assets (increase $2.0 billion), repo style transactions (increase $0.7 billion), and loans (increase $0.4 billion). Market risk weighted assets increased due to higher securitized trading inventory ($1.3 billion) and higher non-securitization debt exposures ($0.7 billion), both within the Investment Bank. The increase in RWA on repo style transactions and loans correlates with the increase in the balance sheet exposures.

Supplementary Leverage Ratio:

DB USA Corp's SLR decreased 4.4715% to 9.1420% as of December 31, 2021 compared with December 31, 2020. The decrease was largely due to the Federal Reserve Board removing the temporary relief to exclude U.S. Treasury Securities and Deposits at Federal Reserve Banks from the leverage exposure.

Liquidity Coverage Ratio:

The Firm's average LCR for twelve months ended December 31, 2021 was 157% which represents an average LCR position well above the required minimum. In comparison to the average LCR of 176% for the year ended December 30, 2020, this represents a decrease of 19 percentage points, which primarily resulted from an increase in average weighted deposits outflows of $4.3 billion offset by an increase in average High Quality Liquid Assets (HQLA) of $1.9 billion.

Regulatory Capital

The calculation of DB USA Corp's regulatory capital is pursuant to the US Basel 3 capital 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.

During 2021, DB USA returned capital to its parent Deutsche Bank Aktiengesellschaft via a repurchase of $1,000 million of Class B preferred stock and paid dividends in the amount of $283 million on the Class A and Class B series preferred stock.

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 made effective December 31, 2019, DB USA meets the definition of a Category III IHC. 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.

For 2021, 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.

Regulatory capital, RWA and capital ratios according to US Basel 3 Capital Rules

in USD m.	31-Dec-20 US Basel 3	31-Dec-21 US Basel 3
Common Stock plus retained surplus, net of unearned employee stock ownership plan (ESOP) shares	23,662	23,678
Retained Earnings	(13,253)	(12,873)
Accumulated Other Comprehensive Income (AOCI) based on transition rules	(243)	(212)
Common Equity Tier 1 Capital, before adjustments and deductions	10,166	10,593
Common Equity Tier 1 Capital: Adjustments and Deductions		
Less: Goodwill net of associated deferred tax liabilities (DTLs)	(50)	(50)
Less: Intangible Assets, net of associated DTL's	(62)	(65)
Less: Deferred Tax Assets (DTLs) that arise from net operating losses and tax credit carryforwards, net of valuation allowances	0	0
Total Regulatory Adjustments to Common Equity Tier 1 (CET1)	(112)	(115)
Common Equity Tier 1 Capital	10,054	10,478
Additional Tier 1 (AT1) Capital		
Additional Tier 1 Capital instruments plus related surplus	4,205	3,147
Additional Tier 1 (AT1) Capital before adjustments	4,205	3,147
Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital	(10)	(21)
Additional Tier 1 (AT1) Capital	4,195	3,126
Tier 1 Capital (T1 = CET1 + AT1)	14,249	13,604
Tier 2 (T2) Capital		
Tier 2 Capital instruments plus related surplus	0	0
Allowance for loan and lease losses includable in Tier 2 capital	20	17
Tier 2 (T2) Capital before adjustments	20	17
Total Regulatory Adjustments to Tier 2 (T2) Capital	0	0
Tier 2 (T2) Capital	20	17
Total Regulatory Capital	14,269	13,621

Ratios		
Common Equity Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	27.71%	26.72%
Tier 1 Capital Ratio (as a percentage of risk-weighted assets)	39.27%	34.69%
Total Capital Ratio (as a percentage of risk-weighted assets)	39.33%	34.74%
Capital Conservation Buffer	23.21%	22.22%
Leverage Ratio (as a percentage of average total consolidated assets)	10.84%	9.98%
Supplementary Leverage Ratio	13.61%	9.14%

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 grandular. In either case, when comparing the fiancial 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 December 31, 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.

	31-Dec-21					
		Presentation Differences				
in USD m.	Financial Balance Sheet	Non-Trading Equity Securities	Non-Trading Interest Rate Swaps	Margin Loans	Total	Regulatory Balance Sheet
Assets						
Cash and cash equivalents	28,692	-	-	-	-	28,692
Securities: Available for Sale	983	43	-	-	43	1,026
Collateralized agreements and financings	48,378	-	-	-	-	48,378
Loans, net of allowance for loan losses	12,590	-	-	0	0	12,590
Financial instruments owned, at fair value	18,773	(43)	(89)	-	(132)	18,642
Other assets	12,253	-	89	(0)	88	12,341
Total assets	121,669	-	-	-	-	121,669
Liabilities and Stockholders' Equity						
Deposits	33,346	-	-	-	-	33,346
Collateralized agreements and financing:	27,300	-	-	-	-	27,300
Financial instruments sold, but not yet purchased, at fair value	12,278	-	-	(85)	(85)	12,193
Borrowings	18,032	-	-	-	-	18,032
Other liabilities	16,971	-	-	85	85	17,056
Total liabilities	107,927	-	-	-	-	107,927
Stockholders' Equity						
Preferred stock	3,147	-	-	-	-	3,147
Common stock, par value $1.00 per share. 2,000 shares	0	-	-	-	-	0
Additional paid-in capital	23,678	-	-	-	-	23,678
Accumulated deficit	(12,874)	-	-	-	-	(12,874)
Accumulated other comprehensive income (loss)	(212)	-	-	-	-	(212)
Minority Interest	3	-	-	-	-	3
Total stockholders' Equity	13,742	-	-	-	-	13,742
Total liabilities and stockholder's equity	121,669	-	-	-	-	121,669

Figures may include rounding differences.

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.
- 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 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.

Exposures and Risk-weighted Assets

DB USA Corp RWA are calculated based on the US Basel 3 Standardized Approach capital rules.

For banks calculating RWA under the Standardized Approach, general risk weights are applied for each type of exposure to determine the credit risk RWA amount. Banks are required to calculate exposures amounts for all on-balance sheet exposures, over-the-counter transactions, off-balance sheet commitment trade related contingency, guarantees, repo-style transactions, standby letters of credit, forward agreements and other similar transactions.

These exposure amounts are then multiplied by the supervisory risk weight appropriate to the exposure, based on the exposure type and the counterparty, eligible guarantor or financial collateral. Some of the risk weights applicable to DB USA Corp include:

Exposure Type	Basel III Standardized Approach Risk Weight
Cash	0% risk w eight
Exposures to, and portions of exposures that are directly and unconditionally guaranteed by, the US government, its agencies and the Federal Reserve, including deposits guaranteed by the FDIC and National Credit Union Administration	0% risk w eight
Portions of exposures that are conditionally guaranteed by the US government, its agencies and the Federal Reserve, including depsosits partially guaranteed by the FDIC and National Credit Union Administration	20% risk w eight
Exposures to foreign governments and their central banks - risk w eights range from 0% to 100% based on OECD Country Risk Classification (CRC); defaulted exposures are subject to 150% risk w eight.	risk w eights range from 0% to 100% based on OECD Country Risk Classification (CRC); defaulted exposures are subject to 150% risk w eight
Exposures to certain supranational entities and multilateral development banks	0% risk w eight
Exposures to US government sponsored entities	20% risk w eight
Exposures to US public sector entities, including states and municipalities	20% risk w eight for general obligations; 50% for revenue obligations
Exposures to foreign public sector entities	risk w eights range from 20% to 100% depending on the type of obligation and the home country's CRC; defaulted exposures are subject to 150% risk w eight.
Exposures to US depository institutions and credit unions	20% risk w eight.
Exposures to foreign banks	risk w eights range from 0% to 150% based on OECD CRC; defaulted exposures are subject to 150% risk w eight
Exposures to qualifying securities firms	100% risk w eight
Corporate exposures	100% risk w eight
Retail exposures	100% risk w eight
Residential mortgage exposures	50% risk w eight for qualifying first-lien mortgages; 100% for all other
High-volatility commercial real estate (HVCRE) loans	150% risk w eight
Past due exposures	150% risk w eight
Collateralized transactions, including derivatives and secured financing transactions	risk w eights vary depending on collateral approach - Simple Approach (generally a 20% floor) or Collateral Haircut Approach
OTC Derivatives	risk w eights vary depending on type of contract, counterparty, collateral and netting eligibility; exposure calculated using the Counterparty Exposure Method (CEM)
Cleared transactions	risk w eight is either 2% or 4% of trade exposure to qualified central clearing counterparties
Equity exposures	risk w eights range from 0% to 600% depending on type of equity exposure
Unsettled transactions	risk w eights range from 100% to 1,250% depending on number of days outstanding after settlement date
Commitments and Letters of Credit	risk w eights range from 0% to 100% depending on the counterparty

The information in the schedule 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 December 31, 2021. Average RWA is calculated by reference to the four quarters ended December 31, 2021.

Operational Risk RWA is not applicable for banks calculating RWA under the US Basel 3 Standardized Approach.

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.

Basel 3 Standardized Approach Risk-weighted Assets by Exposure Class

in USD m. For the year ended	31-Dec-20	31-Dec-21	
	At the end of the period	At the end of the period	Average over the period
On-balance Sheet Exposures	RWA	RWA	RWA
Cash and balances due from depository institutions	513	198	252
Securities: Available for Sale	43	56	58
Securities Purchased under agreements to Resell	0	0	0
Loans: Held for Sale	0	0	0
Loans: Residential mortgage exposures	1,451	1,428	1,433
Loans: High volatility commercial real estate exposures	0	0	0
Loans: Exposures past due 90 days or more or on nonaccrual	0	0	0
Loans: All other exposures	9,350	9,738	9,994
Loans: Allowance for Loan Loss	0	0	0
Trading Assets	85	38	103
All Other Assets	5,590	5,876	5,665
Securitization Exposures: Trading Assets	123	41	47
Total On-balance Sheet Exposures	17,155	17,375	17,552
Off-balance Sheet Exposures			
Financial standby letters of credit	529	480	501
Performance standby letters of credit	9	23	18
Commercial and similar letters of credit	0	0	1
Repo style transactions	4,868	5,524	5,524
Unused commitments: 1 year or less	4	4	5
Unused commitments: exceeding 1 year	809	873	832
Over-the-counter derivatives	67	78	99
Centrally Cleared derivatives	9	4	8
Unsettled Transactions	41	32	47
Total Off-balance Sheet Exposures	6,336	7,018	7,034
Total Risk Weighted Assets, excluding Market Risk	23,491	24,393	24,586
Standardized Market Risk Weighted Assets	12,791	14,818	13,700
Total Risk Weighted Assets	36,282	39,211	38,286

in USD m.	For the quarter ended				For the year ended
US Basel 3 Standardized Approach	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	31-Dec-21
On-balance Sheet Exposures	At the end of the period	At the end of the period	At the end of the period	At the end of the period	Average over the period
Cash and balances due from depository institutions	17,566	22,123	24,340	28,692	23,180
Securities: Available for Sale	928	1,033	1,030	1,026	1,004
Securities Purchased under agreements to Resell	48,249	52,384	54,898	48,378	50,977
Loans: Held for Sale	0	0	0	0	0
Loans: Residential mortgage exposures	2,706	2,721	2,684	2,598	2,677
Loans: High volatility commercial real estate exposures	0	0	0	0	0
Loans: Exposures past due 90 days or more or on nonaccrual	0	0	0	0	0
Loans: All other exposures	9,990	10,373	10,444	10,005	10,203
Loans: Allowance for Loan Loss	(15)	(12)	(13)	(13)	(13)
Trading Assets	18,789	18,826	19,266	17,739	18,655
All Other Assets: All Other	11,875	11,198	11,168	12,341	11,646
Securitization Exposures: Trading Assets	9	719	903	903	634
Total On-balance Sheet Exposures	**110,097**	**119,365**	**124,720**	**121,669**	**118,963**

Off-balance Sheet Exposures (credit equivalent amount)					
Financial standby letters of credit	718	699	673	691	695
Performance standby letters of credit	36	32	34	48	38
Commercial and similar letters of credit	20	5	0	5	8
Repo style transactions	16,603	18,291	20,861	20,341	19,024
Unused commitments: 1 year of less	20	30	50	20	30
Unused commitments: exceeding 1 year	2,328	2,176	2,460	2,414	2,345
Over-the-counter derivatives	226	237	338	229	258
Centrally Cleared derivatives	559	435	314	185	373
Unsettled Transactions	379	250	216	262	277
Total Off-balance Sheet Exposures	**20,889**	**22,155**	**24,946**	**24,195**	**23,046**

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. Below is a summary of some of the conversion factors used in calculating DB USA Corp RWA's.

Credit risk includes counterparty risk which relates to contracts with a counterparty such as in securities financing transactions (SFT) and derivatives, and the risk that the counterparty fails or defaults on the amount owed on such contracts when payment is due.

Calculating the Credit-equivalent amount of derivative contracts subject to bilateral netting agreements

The credit-equivalent amount of contracts that are subject to a bilateral netting agreement is calculated by adding (i) the Net Current Exposure of the derivative contract, and (ii) the sum of the estimates of Gross Potential Future Credit Exposures on all individual contracts subject to a bilateral netting agreement, adjusted to reflect the effects of the bilateral netting agreement.

The Net Current Exposure is the sum of all positive and all negative mark-to-market (MTM) values of the individual derivative contracts subject to the bilateral netting agreement. If the net sum of the MTM values is positive, then the Net Current Exposure is equal to that sum. If the net sum of the MTM values is zero or negative, then the Net Current Exposure is zero.

Gross Potential Future Credit Exposure, or A_{gross} is calculated by summing the estimates of Gross Potential Future Credit Exposure for each individual contract subject to the bilateral netting agreement, then adjusting it to reflect the effects of the bilateral netting agreement.

The effects of the bilateral netting agreement on Gross Potential Future Credit Exposure are recognized through the application of a formula that results in an adjusted add-on amount (A_{net}). The formula, which employs the ratio of Net Current Exposure to Gross Current Exposure (NGR), is expressed as:

$$A_{net} = (0.4 \times A_{gross}) + 0.6\,(NGR \times A_{gross})$$

Contracts not subject to bilateral netting agreements

The credit equivalent amount of a derivative contract not subject to a bilateral netting agreement is equal to the sum of (i) the Current Exposure of the derivative contract; and (ii) the Potential Future Credit Exposure of the derivative contract.

The Current Exposure, also referred to as the Positive Replacement Cost, is determined by the MTM value of the derivative contract. If the MTM is positive, then the Current Exposure is equal to the MTM of the derivative contract. If the MTM is zero or negative, then the Current Exposure is zero. The MTM of the derivative contract is not measured on a netted basis where there is an absence of a bilateral netting agreement but rather evaluated on an individual contract-by-contract basis.

The Potential Future Credit Exposure of a derivative contract, including those derivative contracts with a zero or negative MTM, is estimated by multiplying the notional amount of the derivative contract by a Credit-conversion Factor.

The Credit conversion Factors are as follows (rates are in percentages):

Remaining Maturity	Interest Rate Products	Exchange Rate and Gold Products	Credit (investment grade reference asset)	Credit (noninvestment grade reference asset)	Equity Products	Precious metals (except gold)	Other
One year or less	0.0	1.0	5.0	10.0	6.0	7.0	10.0
Over one year to five years	0.5	5.0	5.0	10.0	8.0	7.0	12.0
Over five years	1.5	7.5	5.0	10.0	10.0	8.0	15.0

Off-balance sheet items conversion factors

Exposure Type	Basel III Standardized Approach Conversion Factor
Unused portion of a commitment that is unconditionally cancellable by the banking organization	0% conversion factor
Amount of a commitment with an original maturity of one year or less that is not unconditionally cancellable by the banking organization	20% conversion factor
Self-liquidating trade-related contingent items, with an original maturity of one year or less	20% conversion factor
Amount of a commitment with an original maturity of more than one year that is not unconditionally cancellable by the banking organization	50% conversion factor
Transaction-related contingent items (performance bonds, bid bonds, warranties, and standby letters of credit)	50% conversion factor
Guarantees, repurchase agreements, securities lending and borrowing transactions, credit-enhancing representations and warranties that are not securitization exposures, financial standby letters of credit and forward agreements	100% conversion factor

Gross Exposure by Asset Class and Geographical Region

in USD m.	31-Dec-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	28,390	268	0	18	16	0	28,692
Securities: Available for Sale	1,026	0	0	0	0	0	1,026
Loans	10,778	532	885	181	227	0	12,603
Trading Assets	457	0	0	1	0	0	458
Other Assets	3,660	1,052	7	2,618	33	2	7,372
Total On-balance Sheet Exposures	44,311	1,852	892	2,818	276	2	50,151
Off-balance Sheet Exposures							Amount Subject to RWA
Letters of credit	624	38	0	37	17	0	716
Repo style transactions	13,986	3,663	94	124	2,473	1	20,341
Unused commitments	867	293	0	36	15	0	1,211
Derivatives	42	350	0	13	9	0	414
Unsettled Transactions	235	27	0	0	0	0	262
Total Off-balance Sheet Exposures	15,754	4,371	94	210	2,514	1	22,944
Grand Total	60,065	6,223	986	3,028	2,790	3	73,095

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
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

Please refer to page 26 for period-on-period variance commentary.

Gross Exposure by Asset Class and Residual Maturity

in USD m	31-Dec-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	28,692	-	-	-	-	28,692
Securities: Available for Sale	1	70	430	104	421	1,026
Loans	677	3,040	2,543	3,104	3,239	12,603
Trading Assets	-	413	-	19	26	458
Other Assets	5,046	203	1,161	889	73	7,372
Total On-balance Sheet Exposures	34,416	3,726	4,134	4,116	3,759	50,151
Letters of credit	1	195	495	21	4	716
Repo-Style transactions (1)	14,624	5,105	376	37	199	20,341
Unused Commitments	275	114	420	165	237	1,211
Derivatives	23	151	127	50	63	414
Unsettled	-	-	253	8	1	262
Total Off-balance Sheet Exposures	14,923	5,565	1,671	281	504	22,944
Grand Total	49,339	9,291	5,805	4,397	4,263	73,095

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	66,703

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.

Please refer to page 26 for period-on-period variance commentary.

Gross Exposure by Asset Class and Industry

in USD m	31-Dec-21					
	Public institutions	Banks and other financial institutions	Corporations	Retail	Other	Amount Subject to RWA
Cash and balances due from depository institutions	27,756	936	-	-	-	28,692
Securities: Available for Sale	920	79	27	-	-	1,026
Loans	386	3,462	2,155	3,239	3,361	12,603
Trading Assets	416	5	11	-	26	458
Other Assets	270	4,673	419	27	1,983	7,372
Total On-balance Sheet Exposures	29,748	9,155	2,612	3,266	5,370	50,151
Letters of credit	6	516	84	107	3	716
Repo-Style transactions	5,963	14,199	126	-	53	20,341
Unused Commitments	4	812	149	170	76	1,211
Derivatives	172	241	1	-	-	414
Unsettled	-	262	-	-	-	262
Total Off-balance Sheet Exposures	6,145	16,030	360	277	132	22,944
Grand Total	35,893	25,185	2,972	3,543	5,502	73,09

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	66,70

Please refer to page 26 for period-on-period variance commentary.

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

in USD m.	31-Dec-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%	937.5%	1250%	Other Amount	Other RWA
Cash and balances due from depository institutions	198	28,692	28,692	27,732	0	0	0	953	0	7	0	0	0	0	0	0	0	0	0	0
Securities: Available for Sale	56	1,026	1,026	914	0	0	0	70	0	42	0	0	0	0	0	0	0	0	0	0
Securities Purchased under agreements to Resell	0	48,378	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans: Residential mortgage exposures	1,428	2,598	2,598	5	0	0	0	0	2,330	263	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	9,738	10,005	10,005	243	0	0	0	592	11	8,249	910	0	0	0	0	0	0	0	0	0
Loans: Allowance for Loan Loss	0	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trading Assets	38	17,739	458	420	0	0	0	0	0	38	0	0	0	0	0	0	0	0	0	0
All Other Assets: All Other	5,876	12,341	7,372	146	0	0	0	3,582	7	2,207	12	1,151	0	0	0	0	0	0	267	54
Securitization Exposures: Trading Assets	41	903	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41
Total On-balance Sheet Exposures	**17,375**	**121,669**	**50,151**	**29,460**	**0**	**0**	**0**	**5,197**	**2,348**	**10,806**	**922**	**1,151**	**0**	**0**	**0**	**0**	**0**	**0**	**267**	**95**
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	480	691	691	91	0	0	0	150	0	450	0	0	0	0	0	0	0	0	0	0
Performance standby letters of credit	23	24	24	0	0	0	0	1	0	23	0	0	0	0	0	0	0	0	0	0
Commercial and similar letters of credit	0	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repo style transactions	5,524	20,341	20,341	9,986	1,395	0	0	3,898	691	4,371	0	0	0	0	0	0	0	0	0	0
Unused commitments: 1 year of less	4	4	4	0	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0
Unused commitments: exceeding 1 year	873	1,207	1,207	89	0	0	0	262	71	785	0	0	0	0	0	0	0	0	0	0
Over-the-counter derivatives	78	229	229	0	0	0	0	189	0	40	0	0	0	0	0	0	0	0	0	0
Centrally Cleared derivatives	4	185	185	0	183	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unsettled Transactions	32	262	262	253	0	0	0	0	0	7	0	0	0	0	0	0	0	2	0	0
Total Off-balance Sheet Exposures	**7,018**	**22,944**	**22,944**	**10,420**	**1,578**	**2**	**0**	**4,500**	**762**	**5,680**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**0**
Total Risk Weighted Assets, excluding Market Risk	**24,393**		**24,393**	**0**	**32**	**0**	**0**	**1,939**	**1,555**	**16,486**	**1,383**	**2,878**	**0**	**0**	**0**	**0**	**0**	**25**	**0**	**95**
Standardized Market Risk Weighted Assets	**14,818**																			
Total Risk Weighted Assets	**39,211**																			

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**		**23,490**	**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**																			

Please refer to page 26 for period-on-period variance commentary.

Basel 3 Standardized Approach Risk-weighted Assets by Line of Business

in USD m.	31-Dec-20
	Risk Weighted Assets at the end of the period
Investment Bank	17,567
Origination & Advisory	770
Fixed Income & Currencies	16,454
Other	343
Corporate Bank	3,728
Private Bank	8,700
Other Divisions and Infrastructure	2,575
Other Corporate Items	3,712
Total	**36,282**

in USD m.	31-Dec-21
	Risk Weighted Assets at the end of the period
Investment Bank	20,498
Origination & Advisory	978
Fixed Income & Currencies	19,358
Other	162
Corporate Bank	4,790
Private Bank	8,713
Other Divisions and infrastructure	2,075
Other Corporate Items	3,135
Total	**39,211**

Please refer to page 26 for period-on-period variance commentary.

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 all of 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. Base 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

Netting of SFT's meeting the definition of Repo-style transactions is permitted under U.S. Basel III rules.

The following table presents the netting of SFT's and related collateral amounts. Securities borrowed and securities loaned balances with the same counterparties are reported net by counterparty, pursuant to the provisions of ASC 210-20. As of December 31, 2021, DB USA Corp's securities borrowed and securities loaned balances reflected $2,604 million of netting pursuant to ASC 210-20.

		31-Dec-21				
in USD m		Gross Amounts	Amount Offset in the Statement of Financial Condition (1)	Net Amount Presented in the Statement of Financial Condition	Collateral Received or Pledged (2)	Net Exposure (3)
Assets:						
Collateralized agreements and financings:						
Securities purchased under agreements to resell		105,601	(76,899)	28,702	(22,761)	5,941
Securities borrowed		22,280	(2,604)	19,676	-	19,676
Total	$	127,881	(79,503)	48,378	(22,761)	25,617
Liabilities:						
Collateralized agreements and financings:						
Securities sold under agreements to repurchase		103,559	(76,899)	26,660	(26,660)	-
Securities loaned		3,244	(2,604)	640	(640)	-
Total	$	106,803	(79,503)	27,300	(27,300)	-

(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 Amounts	Amount Offset in the Statement of Financial Condition (1)	Net Amount Presented in the Statement of Financial Condition	Collateral Received or Pledged (2)	Net Exposure (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)	-

(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.

Netting of derivatives transactions

Substantially all of DB USA Corp's derivatives transactions are entered into for trading purposes, to facilitate customer transactions, or as a means of risk management of firm inventory positions. Risk exposures are managed through diversification, by controlling position sizes and by established hedges in related securities or derivatives.

Netting of derivatives with qualifying master netting agreement is permitted under U.S. Basel 3 rules.

The following table sets forth the gross fair value, net fair value and notional amount of DB USA Corp's derivative contracts by major product type.

Variance commentary

DB USA Corp's derivative transactions increased during the year most notably in interest rate contracts where notional increased from $19,944 million in 2020 to $32,218 million in 2021. This was due to new swaps being transacted during the fourth quarter as the market began to price in anticipated FRB rate increases.

	31-Dec-21				
	Fair value		Notional Amount		
in USD m.	Assets	Liabilities	Exchange - traded	OTC	Total
Contract type					
Interest rate contracts	170	100	4,223	27,995	32,218
Credit contracts	-	-	-	-	-
Equity contracts	9	4	594	14	608
Other contracts	1	2	-	3,285	3,285
Total gross derivatives	180	106	4,817	31,294	36,111
Less: Counterparty netting (1)	(14)	(14)			
Net amounts presented in statement of financial condition	166	92			
Less: Cash collateral received/posted	(25)	(64)			
Net derivative	141	28			

(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	Liabilities	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			

(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.

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.

Following the reporting guidelines issued by the Federal Reserve Bank (FRB), DB USA is taking the option to account for eligible loan modifications under Section 4013 of the CARES Act. This means DB USA is not required to apply ASC Subtopic 310-40 to the section 4013 loans for the term of the loan modification and as such do not have to report section 4013 loans as TDRs in regulatory reports. Eligible loans are defined as those which meet the definition of a TDR and the reporting guidance of the CARES Act. However, DB USA had no loan modifications that met these requirements and as such did not report any loan modifications under Section 4013 of the CARES Act.

Variance commentary

DB USA Corp's impaired loans increased by $14 million to $77 million, and the loan loss allowance decreased $5 million to $13 million as of December 31, 2021 compared with December 31, 2020. The decrease in loan loss allowance is primarily attributed to the more positive economic outlook in 2021 versus 2020. The specific allowance for loan losses remained zero and past due loans reported by DB USA Corp as of December 31, 2021 were immaterial.

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

in USD m.	31-Dec-20 Impaired Loans	31-Dec-20 Loan Loss Allowance	31-Dec-20 Impaired loan coverage ratio (%)	31-Dec-21 Impaired Loans	31-Dec-21 Loan Loss Allowance	31-Dec-21 Impaired loan coverage ratio (%)
Commercial and residential real estate activities	63	18	29%	77	13	17%
Total	63	18	29%	77	13	17%

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

in USD m.	31-Dec-20 Impaired Loans	31-Dec-20 Loan Loss Allowance	31-Dec-20 Impaired loan coverage ratio (%)	31-Dec-21 Impaired Loans	31-Dec-21 Loan Loss Allowance	31-Dec-21 Impaired loan coverage ratio (%)
North America	63	18	29%	77	13	17%
Total	63	18	29%	77	13	17%

Development of impaired loans

in USD m.	31-Dec-20 Impaired loans Individually assessed	31-Dec-21 Impaired loans Individually assessed
Balance, beginning of the year	62	63
Classified as impaired during the year	19	37
Transferred to not impaired during the year	(5)	(1)
Charge Offs	(2)	(5)
Disposal of impaired loans	(10)	(16)
Paydowns	(1)	(1)
Balance, end of the year	**63**	**77**

Development of specific loan loss allowance

in USD m.	31-Dec-20 Specific loan loss allowance	31-Dec-21 Specific loan loss allowance
Balance, beginning of the year	3	-
Recoveries	(2)	-
Charge Offs	(1)	(5)
Provision for loan and lease losses	-	5
Other	-	-
Balance, end of the year	**-**	**-**

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. 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.

Please refer to page 24 for period-on-period variance commentary

in USD m.	31-Dec-20	31-Dec-21
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	71,730
Deductions from common equity tier 1 capital and additional tier 1 capital (report as a positive amount)	122	136
Adjustments for deductions of qualifying central bank deposits for custodial banking organisations	38,460	0
Total on-balance sheet exposures (item 2.1 minus item 2.2)	**27,753**	**71,594**
Replacement cost for all derivative transactions	97	89
Add-on amounts for potential future exposure (PFE) for all derivative transactions	2,200	3,154
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)	1,089	1,747
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)	**1,208**	**1,496**
Gross assets for repo-style transactions, with no recognition of netting	120,611	140,795
Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions (report as a positive value)	55,520	76,140
Counterparty credit risk for all repo-style transactions	1,011	869
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)	**66,102**	**65,524**
Off-balance sheet exposures at gross notional amounts	30,814	37,355
Adjustments for conversion to credit equivalent amounts (report as a positive amount)	21,209	27,162
Total off-balance sheet exposures (item 2.17 minus item 2.18)	**9,605**	**10,193**
Tier 1 capital (from Schedule A, item 45)	**14,249**	**13,604**
Total leverage exposure (sum of items 2.3, 2.11, 2.16, and 2.19)	**104,668**	**148,807**
Supplementary leverage ratio (item 2.20 divided by item 2.21)	**13.6135%**	**9.1420%**

Liquidity Coverage Ratio

The Liquidity Coverage Ratio (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 the quarters ended March 31, June 30, September 30 and December 31, 2021.

Please refer to page 26 for period-on-period variance commentary

		Average Unweighted Amount				Average Weighted Amount			
in USD m.	For the quarter ended	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21
HIGH-QUALITY LIQUID ASSETS [(1)]									
1	**Total eligible high-quality liquid assets (HQLA), of which:**	**22,785**	**22,867**	**22,297**	**24,623**	**22,785**	**22,867**	**22,297**	**24,623**
2	Eligible level 1 liquid assets	22,785	22,867	22,297	24,623	22,785	22,867	22,297	24,623
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:**	**755**	**866**	**871**	**1,048**	**170**	**208**	**169**	**100**
6	Stable retail deposit outflow	69	71	71	70	2	2	2	2
7	Other retail funding outflow	357	374	510	978	36	37	51	98
8	Brokered deposit outflow	329	421	290	0	132	169	116	0
9	**Unsecured wholesale funding outflow, of which:**	**26,914**	**27,754**	**30,141**	**33,511**	**14,451**	**14,383**	**15,366**	**17,636**
10	Operational deposit outflow	14,156	14,917	16,611	17,774	3,537	3,727	4,151	4,441
11	Non-operational funding outflow	12,758	12,837	13,530	15,737	10,914	10,656	11,215	13,195
12	Unsecured debt outflow	-	-	-	-	-	-		-
13	**Secured wholesale funding and asset exchange outflow**	**96,070**	**92,357**	**113,084**	**112,495**	**7,346**	**6,821**	**8,056**	**6,123**
14	**Additional outflow requirements, of which:**	**9,258**	**7,396**	**6,138**	**6,335**	**2,550**	**2,336**	**2,171**	**2,146**
15	Outflow related to derivative exposures and other collateral requirements	6,452	4,781	3,494	3,551	1,525	1,187	924	931
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	2,806	2,615	2,644	2,784	1,025	1,149	1,247	
17	**Other contractual funding obligation outflow**	**2**	**1**	**1**	**35**	**2**	**1**	**1**	**35**
18	Other contingent funding obligations outflow	-	-	-	-	-	-	-	-
19	**TOTAL CASH OUTFLOW**	**132,999**	**128,374**	**150,235**	**153,424**	**24,519**	**23,749**	**25,763**	**26,040**
CASH INFLOW AMOUNTS									
20	**Secured lending and asset exchange cash inflow**	**107,659**	**106,694**	**126,883**	**125,984**	**8,774**	**7,944**	**8,275**	**6,437**
21	**Retail cash inflow**	**27**	**29**	**31**	**17**	**13**	**14**	**16**	**9**
22	**Unsecured wholesale cash inflow**	**1,410**	**1,447**	**1,261**	**1,134**	**1,404**	**1,440**	**1,247**	**1,128**
23	**Other cash inflows, of which:**	**25**	**14**	**25**	**37**	**25**	**14**	**25**	**37**
24	Net derivative cash inflow	2	1		7	2	1		7
25	Securities cash inflow	23	13	25	30	23	13	25	30
26	Broker-dealer segregated account inflow	-	-	-	-	-	-	-	-
27	Other cash i nflow	-	-	-	-	-	-	-	-
TOTAL CASH INFLOW		**109,121**	**108,184**	**128,200**	**127,172**	**10,216**	**9,412**	**9,563**	**7,611**
29	**HQLA AMOUNT [(1)]**					**22,785**	**22,867**	**22,297**	**24,623**
30	**TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON**					**14,303**	**14,337**	**16,200**	**18,429**
31	**MATURITY MISMATCH ADD-ON**					**72**	**63**	**80**	**56**
32	**TOTAL NET CASH OUTFLOW AMOUNT [(2)]**					**12,219**	**12,240**	**13,838**	**15,712**
33	**LIQUIDITY COVERAGE RATIO (%)**					**186%**	**187%**	**161%**	**157%**

(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*

in USD m.	For the quarter ended	Average Unweighted Amount 31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	Average Weighted Amount 31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20
	HIGH-QUALITY LIQUID ASSETS (1)								
1	**Total eligible high-quality liquid assets (HQLA), of which:**	**21,354**	**19,644**	**21,916**	**22,693**	**21,354**	**19,644**	**21,916**	**22,693**
2	Eligible level 1 liquid assets	21,354	19,644	21,916	22,693	21,354	19,644	21,916	22,693
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:**	**567**	**530**	**546**	**757**	**95**	**90**	**95**	**173**
6	Stable retail deposit outflow	72	73	75	71	2	2	2	2
7	Other retail funding outflow	346	318	317	344	35	32	32	34
8	Brokered deposit outflow	149	139	154	342	58	56	61	137
9	**Unsecured wholesale funding outflow, of which:**	**24,043**	**22,724**	**23,646**	**25,208**	**13,220**	**11,368**	**13,113**	**13,223**
10	Operational deposit outflow	12,733	13,493	12,001	13,558	3,181	3,371	2,998	3,387
11	Non-operational funding outflow	11,310	9,231	11,645	11,650	10,039	7,997	10,115	9,836
12	Unsecured debt outflow	-	-	-	-	-	-	-	-
13	**Secured wholesale funding and asset exchange outflow**	**117,427**	**112,042**	**101,398**	**96,872**	**5,704**	**6,795**	**6,764**	**6,211**
14	**Additional outflow requirements, of which:**	**3,400**	**4,051**	**5,787**	**6,230**	**1,346**	**1,304**	**1,629**	**1,712**
15	Outflow related to derivative exposures and other collateral requirements	446	1,191	2,887	3,367	341	505	824	918
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	2,954	2,860	2,900	2,863	1,005	799	805	794
17	**Other contractual funding obligation outflow**	**32**	**4**	**2**	**3**	**32**	**4**	**2**	**3**
18	Other contingent funding obligations outflow	-	-	-	-	-	-	-	-
19	**TOTAL CASH OUTFLOW**	**145,469**	**139,351**	**131,379**	**129,070**	**20,397**	**19,561**	**21,603**	**21,322**
	CASH INFLOW AMOUNTS								
20	**Secured lending and asset exchange cash inflow**	**130,823**	**125,163**	**113,343**	**104,660**	**6,484**	**7,099**	**7,639**	**7,145**
21	**Retail cash inflow**	**55**	**62**	**31**	**49**	**27**	**28**	**16**	**23**
22	**Unsecured wholesale cash inflow**	**1,402**	**1,130**	**1,170**	**1,295**	**1,373**	**1,125**	**1,157**	**1,243**
23	**Other cash inflows, of which:**	**63**	**57**	**57**	**40**	**63**	**57**	**57**	**40**
24	Net derivative cash inflow	0	1	1	1	0	1	1	1
25	Securities cash inflow	63	56	56	39	63	56	56	39
26	Broker-dealer segregated account inflow	-	-	-	-	-	-	-	-
27	Other cash i nflow	-	-	-	-	-	-	-	-
	TOTAL CASH INFLOW	**132,343**	**126,412**	**114,601**	**106,044**	**7,947**	**8,309**	**8,869**	**8,451**
29	**HQLA AMOUNT (1)**					**21,354**	**19,644**	**21,916**	**22,693**
30	**TOTAL NET CASH OUTFLOW AMOUNT EXCLUDING THE MATURITY MISMATCH ADD-ON**					**12,450**	**11,252**	**12,734**	**12,871**
31	**MATURITY MISMATCH ADD-ON**					**53**	**76**	**107**	**56**
32	**TOTAL NET CASH OUTFLOW AMOUNT**					**12,503**	**11,328**	**12,841**	**12,927**
33	**LIQUIDITY COVERAGE RATIO (%)**					**171%**	**173%**	**171%**	**176%**

(1) *HQLA figures have been adjusted for the trapped HQLA at the U.S. subsidaries*

(2) *Numbers may not add due to rounding*

Net Stable Funding Ratio

The NSFR requires banks to maintain a stable funding profile in relation to the 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. 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. The NSFR is not required to be reported externally in the US until 2022 and as a result will not be included in the DB USA Pillar 3 until that time.

Remuneration Policy

Employee Compensation Report

Deutsche Bank Group (the bank) generally implements its compensation policies on a group-wide basis, so that the compensation policies and decisions as described below also apply to the employees of the DB USA Corp. For a consolidated view at Group level including all consolidated entities please refer to the "Employee Compensation Report" for 2021 as part of Deutsche Bank AG's Annual Report 2021.

Overview on Compensation Decisions for 2021

All compensation decisions are made within the boundaries of regulatory requirements. These requirements form the overarching and limiting principle of determining compensation in Deutsche Bank. In particular, management must ensure that compensation decisions are not detrimental to maintaining a sound capital base and liquidity resources of the bank.

Due to the continued focus on our strategy and the dedication of our employees, 2021 was a very successful year for Deutsche Bank: All our businesses performed well – especially when taking into account the continuing COVID-19 pandemic and the bank's ongoing transformation – and almost all of the anticipated transformation costs have now been recognized. As a result, we are considerably more profitable with a pre-tax profit of € 3.4 billion and a net profit of € 2.5 billion. We have also made further progress and remain fully disciplined on costs. This allows us to build firm foundations for sustainable profitability and sets the path to the final stage of our announced transformation.

Although 2021 was a very positive year for Deutsche Bank, we once more applied a prudent and forward-looking approach when deciding on the 2021 variable compensation and deferral structures, without losing sight of the need to remunerate our employees fairly. These decisions are taken according to performance and in line with market conditions, and of course within the boundaries of affordability. Again, when determining the amount of year-end performance-based VC, we have exercised more moderation than the results at the Group and divisional level would have required. As in previous years, the SECC has been constantly monitoring and reviewing the impact of potential VC awards not only with regard to our capital and liquidity base but also taking into account our ambitious cost targets.

In the context of the above considerations, the Management Board confirmed that the bank is in a position to award variable compensation, including a year-end performance-based VC pool of € 2.099 billion for 2021. The VC for the Management Board of Deutsche Bank AG was determined by our Supervisory Board in a separate process. It is, however, included in the tables and charts below. As part of the overall 2021 VC awards granted in March 2022, the Group VC Component was awarded to all eligible employees in line with the assessment of the four defined KPIs, as outlined in the chapter Group Compensation Framework. The Management Board determined a payout rate of 77.5 % for the Group VC Component in 2021 (2020: 72.5 %).

The increase of 2021 VC awards compared to 2020 is driven by a combination of factors. Deutsche Bank's improved performance plays a part, with the composition of the staff population including the addition of key senior roles essential for the effective execution of our strategy and certain FX effects also impacting the relative size of the VC awards.

DB USA Corp: Compensation awards for 2021 – all employees

	2021	2020
in USD m. (unless stated otherwise)[1]	Group Total	Group Total
Number of employees (full-time equivalent)	6,278	6,754
Total compensation	1,833	1,905
Fixed Pay	1,374	1,375
Variable Pay	449	531

[1] The table may contain marginal rounding differences.

Regulatory Environment

Ensuring compliance with regulatory requirements is an overarching consideration in our Group Compensation Strategy. We strive to be at the forefront of implementing regulatory requirements with respect to compensation and will continue to work closely with our prudential supervisor, the European Central Bank (ECB), to be in compliance with all existing and new requirements.

As an EU-headquartered institution, Deutsche Bank is subject to the Capital Requirements Regulation / Directive (CRR / CRD) globally, as transposed into German national law in the German Banking Act and InstVV. We have already comprehensively adopted the rules in its current version, InstVV 4.0 effective September 25, 2021, for all of Deutsche Bank subsidiaries and branches world-wide to the extent required in accordance with Section 27 InstVV. As a Significant Institution within the meaning of InstVV, Deutsche Bank identifies all employees whose work is deemed to have a material impact on the overall risk profile (Material Risk Takers or MRTs) in accordance with the updated criteria stipulated in the German Baking Act and in the Commission Delegated Regulation 2021/923. MRTs are, as in the past years, identified at a Group level and at the level of Significant Institutions. Moreover, as per the requirements which came into force in 2021 and in accordance with the German Banking Act, Deutsche Bank also identifies MRTs for all CRR institutions at a solo level.

Taking into account more specific sectorial legislation and in accordance with InstVV, some of Deutsche Bank's subsidiaries (in particular within the DWS Group) fall under the local transpositions of the Alternative Investments Fund Managers Directive (AIFMD) or the Undertakings for Collective Investments in Transferable Securities Directive (UCITS). We also identify MRTs in these subsidiaries. Identified employees are subject to the remuneration provisions outlined in the Guidelines on sound remuneration policies under AIFMD/UCITS published by the European Securities and Markets Authority (ESMA).

Deutsche Bank takes into account the regulations targeted at employees who engage directly or indirectly with the bank's clients, for instance as per the local transpositions of the Markets in Financial Instruments Directive II – MiFID II. Accordingly, we have implemented specific provisions for employees deemed to be Relevant Persons to ensure that they act in the best interest of our clients.

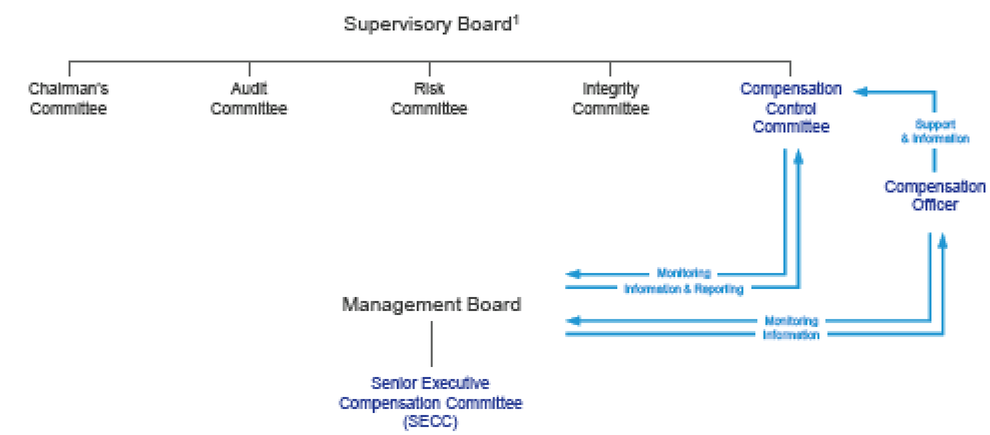
Where applicable, Deutsche Bank is also subject to specific rules and regulations implemented by local regulators. Many of these requirements are aligned with the InstVV. However, where variations are apparent, proactive and open discussions with regulators have enabled us to follow the local regulations whilst ensuring that any impacted employees or locations remain within the bank's overall Group Compensation Framework. This includes, for example, the compensation structures applied to Covered Employees in the United States under the requirements of the Federal Reserve Board. In any case, we apply the InstVV requirements as minimum standards globally.

Compensation Governance

Deutsche Bank has a robust governance structure enabling it to operate within the clear parameters of its Compensation Strategy and Policy. In accordance with the German two-tier board structure, the Supervisory Board governs the compensation of the Management Board members while the Management Board oversees compensation matters for all other employees in the Group. Both the Supervisory Board and the Management Board are supported by specific committees and functions, in particular the Compensation Control Committee (CCC), the Compensation Officer, and the Senior Executive Compensation Committee (SECC).

In line with their responsibilities, the bank's control functions are involved in the design and application of the bank's remuneration systems, in the identification of MRTs and in determining the total amount of VC. This includes assessing the impact of employees' behavior and the business-related risks, performance criteria, granting of remuneration and severances as well as ex-post risk adjustments.

Reward Governance structure



[1] Does not comprise a complete list of Supervisory Board Committees.

Compensation Control Committee (CCC)

The Supervisory Board has set up the CCC to support in establishing and monitoring the structure of the compensation system for the Management Board Members of Deutsche Bank AG. Furthermore, the CCC monitors the appropriateness of the compensation systems for the employees of Deutsche Bank Group, as established by the Management Board and the SECC. The CCC reviews whether the total amount of variable compensation is affordable and set in accordance with the risk, capital and liquidity situation as well as in alignment with the business and risk strategies. Furthermore, the CCC supports the Supervisory Board in monitoring the MRT identification process.

The CCC consists of the Chairperson of the Supervisory Board and five further Supervisory Board Members, three of which are employee representatives. The Committee held six meetings in the calendar year 2021. The members of the Risk Committee attended two meetings as guests. Further details can be found in the Report of the Supervisory Board within the Annual Report.

Compensation Officer

The Management Board, in cooperation with the CCC, has appointed a Group Compensation Officer to support the Supervisory Boards of Deutsche Bank AG and of the bank's Significant Institutions in Germany in performing their compensation related duties. The Compensation Officer is involved in the conceptual review, development, monitoring and application of the employees' compensation systems, the MRT identification and remuneration disclosures on an ongoing basis. The Compensation Officer performs all relevant monitoring obligations independently, provides an assessment on the appropriateness of the design and practices of the compensation systems for employees at least annually and regularly supports and advises the CCC.

Senior Executive Compensation Committee (SECC)

The SECC is a delegated committee established by the Management Board which has the mandate to develop sustainable compensation principles, to prepare recommendations on Total Compensation levels and to ensure appropriate compensation governance and oversight. The SECC establishes the Compensation and Benefits Strategy and Policy. Moreover, using quantitative and qualitative factors, the SECC assesses Group and divisional performance as a basis for compensation decisions and makes recommendations to the Management Board regarding the total amount of annual variable compensation and its allocation across business divisions and infrastructure functions.

In order to maintain its independence, only representatives from infrastructure and control functions who are not aligned to any of the business divisions are members of the SECC. In 2021, the SECC's membership comprised of the Global Head of Human Resources and the Chief Financial Officer as Co-Chairpersons, as well as the Chief Risk Officer (the latter two are Management Board Members), the Global Head of Compliance, the Global Head of Performance & Reward as well as an additional representative from both Finance and Risk as voting members. The Compensation Officer, the Deputy Compensation Officer and an additional representative from Finance participated as non-voting members. The SECC generally meets on a monthly basis but with more frequent meetings during the compensation process. It held 16 meetings in total with regard to the compensation process for the performance year 2021.

Compensation Strategy

Deutsche Bank recognizes that its compensation framework plays a vital role in supporting its strategic objectives. It enables us to attract and retain the individuals required to achieve our bank's objectives. The Compensation and Benefits Strategy is aligned to Deutsche Bank's business strategy, risk strategy, and to its corporate values and beliefs as outlined below.

Five key objectives of our compensation practices

- To support the delivery of the bank's client-focused, global bank strategy by attracting and retaining talent across its full range of diverse business models and country locations
- To support the long-term, sustainable performance and development of the bank and a corresponding risk strategy
- To promote and support long-term performance based on cost discipline and efficiency
- To ensure that the bank's compensation practices are safe, by way of risk-adjusting performance outcomes, preventing inappropriate risk taking, ensuring sustained compatibility with capital and liquidity planning, and complying with regulation
- To apply and promote the bank's corporate values of integrity, sustainable performance, client centricity, innovation, discipline and partnership

Core remuneration principles

- Align compensation to shareholder interests and sustained bank-wide profitability, taking account of risk, including environmental, social and governance (ESG) risk
- Apply a gender-neutral, simple and transparent compensation design
- Maximize sustainable performance, both at the employee and the bank-wide level
- Attract and retain the best talent
- Calibrate compensation to reflect different divisions and levels of responsibility
- Ensure compliance with regulatory requirements

Group Compensation Framework

Our compensation framework, generally applicable globally across all regions and business lines, emphasizes an appropriate balance between Fixed Pay (FP) and Variable Compensation (VC) – together forming Total Compensation (TC). It aligns incentives for sustainable performance at all levels of Deutsche Bank whilst ensuring the transparency of compensation decisions and their impact on shareholders and employees. The underlying principles of our compensation framework are applied to all employees equally, irrespective of differences in seniority, tenure, gender or ethnicity.

Pursuant to CRD and the requirements subsequently adopted in the German Banking Act, Deutsche Bank is subject to a ratio of 1:1 with regard to fixed-to-variable remuneration components, which was increased to 1:2 with shareholder approval on May 22, 2014 with an approval rate of 95.27 %, based on valid votes by 27.68 % of the share capital represented at the Annual General Meeting. Nonetheless, the bank has determined that employees in specific infrastructure functions should continue to be subject to a ratio of at least 1:1 while Control Functions as defined by InstVV are subject to a ratio of 2:1.

The bank has assigned a Reference Total Compensation (RTC) to eligible employees that describes a reference value for their role. This value provides our employees orientation on their FP and VC. Actual individual TC can be at, above or below the Reference Total Compensation, depending on VC decisions.

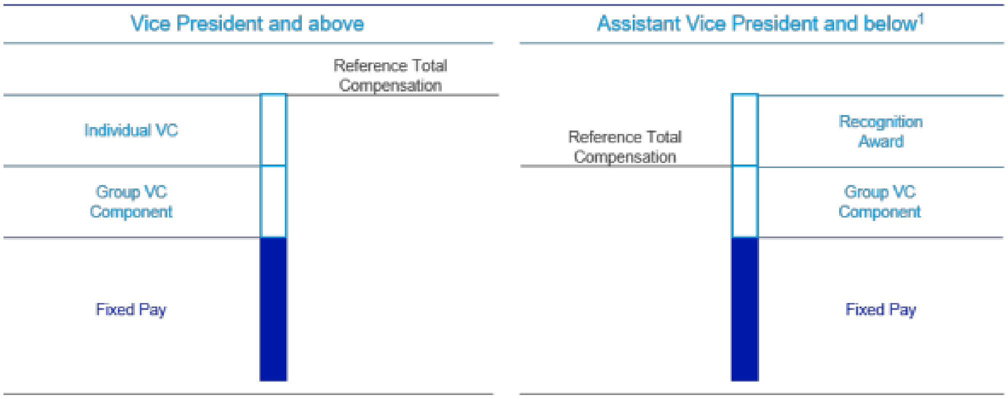
Fixed Pay is used to compensate employees for their skills, experience and competencies, commensurate with the requirements, size and scope of their role. The appropriate level of FP is determined with reference to the prevailing market rates for each role, internal comparisons and applicable regulatory requirements. FP plays a key role in permitting us to meet our strategic objectives by attracting and retaining the right talent. For the majority of our employees, FP is the primary compensation component.

Variable Compensation reflects affordability and performance at Group, divisional, and individual level. It allows us to differentiate individual performance and to drive behavior through appropriate incentives that can positively influence culture. It also allows for flexibility in the cost base. VC generally consists of two elements – the Group VC Component and the Individual VC Component.

The Group VC Component is based on one of the overarching goals of the compensation framework – to ensure an explicit link between VC and the performance of the Group. To assess our annual achievements in reaching our strategic targets, the four Key Performance Indicators (KPIs) utilized as the basis for determining the 2021 Group VC Component were: Common Equity Tier 1 (CET 1) Capital Ratio, Leverage Ratio, Adjusted Costs, and Post-Tax Return on Tangible Equity (RoTE). These four KPIs represent the bank’s capital, leverage, profitability, and cost targets.

The Individual VC Component is delivered either in the form of Individual VC, generally applicable for employees at the level of Vice President (VP) and above, or as Recognition Award, generally applicable for employees at the level of Assistant Vice President (AVP) and below. In case of negative performance contributions or misconduct, an employee’s VC can be reduced accordingly and can go down to zero. VC is granted and paid out subject to Group affordability. Under our compensation framework, there continues to be no guarantee of VC in an existing employment relationship. Such arrangements are utilized only on a very limited basis for new hires in the first year of employment and are subject to the bank’s standard deferral requirements.

Key components of the compensation framework



[1] Some Assistant Vice Presidents and below in select entities and divisions are eligible for Individual VC in lieu of the Recognition Award.

Individual VC takes into consideration a number of financial and non-financial factors, including the applicable divisional performance, the employee's individual performance, conduct, and adherence to values and beliefs, as well as additional factors such as the bank's strategic decisions and retention considerations.

Recognition Awards provide the opportunity to acknowledge and reward outstanding contributions made by the employees of lower seniority levels in a timely and transparent manner. Generally, the overall size of the Recognition Award budget is directly linked to a set percentage of FP for the eligible population and it is currently paid out twice a year, based on a review of nominations and contributions in a process managed at the divisional level.

In the context of InstVV, **severance payments** are considered variable compensation. The bank's severance framework ensures full alignment with the respective InstVV requirements.

Employee benefits complement Total Compensation and are considered FP from a regulatory perspective, as they have no direct link to performance or discretion. They are granted in accordance with applicable local market practices and requirements. Pension expenses represent the main element of the bank's benefits portfolio globally.

Determination of Performance-Based Variable Compensation

In 2021, we continued to put a strong focus on our governance related to compensation decision-making processes. A robust set of rule-based principles for compensation decisions with close links to the performance of both business and individual were applied.

The total amount of VC for any given performance year is initially determined at Group level, taking into account the bank's profitability, solvency, and liquidity position and then allocated to divisions and infrastructure functions based on their performance in support of achieving the bank's strategic objectives.

In a first step, Deutsche Bank assesses the bank's profitability, solvency and liquidity position in line with its Risk Appetite Framework, including a holistic review against the bank's multi-year strategic plan to determine what the bank "can" award in line with regulatory requirements (i.e. Group affordability). In the next step, the bank assesses divisional risk-adjusted performance, i.e. what the bank "should" award in order to provide an appropriate compensation for contributions to the bank's success.

When assessing divisional performance, a range of considerations are referenced. Performance is assessed in the context of financial and – based on Balanced Scorecards – non-financial targets. The financial targets for front-office divisions are subject to appropriate risk-adjustment, in particular by referencing the degree of future potential risks to which Deutsche Bank may be exposed, and the amount of capital required to absorb severe unexpected losses arising from these risks. For the infrastructure functions, the financial performance assessment is mainly based on the achievement of cost targets. While the allocation of VC to infrastructure functions, and in particular to control functions, depends on the overall performance of Deutsche Bank, it is not dependent on the performance of the division(s) that these functions oversee.

At the level of the individual employee, we have established Variable Compensation Guiding Principles, which detail the factors and metrics that have to be taken into account when making Individual VC decisions. Our managers must fully appreciate the risk-taking activities of individuals to ensure that VC allocations are balanced and risk-taking is not inappropriately incentivized. The factors and metrics to be considered include, but are not limited to, (i) business delivery ("What"), i.e. quantitative and qualitative financial, risk-adjusted and non-financial performance metrics, and (ii) behavior ("How"), i.e. culture, conduct and control considerations such as qualitative inputs from control functions or disciplinary sanctions. Generally, performance is assessed based on a one year period. However, for Management Board members of Significant Institutions, the performance across three years is taken into account.

Variable Compensation Structure

Our compensation structures are designed to provide a mechanism that promotes and supports long-term performance of our employees and our bank. Whilst a portion of VC is paid upfront, these structures require that an appropriate portion is deferred to ensure alignment to the sustainable performance of the Group. For both parts of VC, we use Deutsche Bank shares as instruments and as an effective way to align compensation with Deutsche Bank's sustainable performance and the interests of shareholders.

We continue to go beyond regulatory requirements with the scope as well as the amount of VC that is deferred and our minimum deferral periods for certain employee groups. The deferral rate and period are determined based on the risk categorization of the employee, the division and the business unit. Where applicable, we start to defer parts of variable compensation for MRTs where VC is set at or above € 50,000 or where VC exceeds 1/3 of TC. For non-MRTs, deferrals start at higher levels of VC. MRTs are on average subject to deferral rates in excess of the minimum 40 % (60 % for Senior Management) as required by InstVV. For MRTs in Material Business Units (MBU) we apply a deferral rate of at least 50 %. The VC threshold for MRTs requiring at least 60 % deferral is set at € 500,000.

Furthermore, Directors and Managing Directors in Corporate Bank (CB), Investment Bank (IB) or Capital Release Unit (CRU) are subject to a VC deferral rate of 100 % with respect to any VC in excess of € 500,000. Moreover, if Fixed Pay for these employees exceeds an amount of € 500,000, the full VC is deferred.

As detailed in the table below, deferral periods range from three to five years, dependent on employee groups. For MRTs the minimum deferral period was increased from three years to four years in compliance with InstVV 4.0 requirement, applicable as of 2021.

Overview on 2021 Award Types (excluding DWS Group)

Award Type	Description	Beneficiaries	Deferral Period	Retention Period	Proportion
Upfront: Cash VC	Upfront cash portion	All eligible employees	N/A	N/A	MRTs with VC € 50,000 or where VC exceeds 1/3 of TC: 50 % of upfront VC Non-MRTs with 2021 TC 500,000: 100 % of upfront VC
Upfront: Equity Upfront Award (EUA)	Upfront equity portion (linked to Deutsche Bank's share price over the retention period)	All MRTs with VC € 50,000 or where VC exceeds 1/3 of TC All employees with 2021 TC > € 500,00	N/A	Twelve months	50 % of upfront VC
Deferred: Restricted Incentive Award (RIA)	Deferred cash portion	All employees with deferred VC	Equal tranche vesting: MRTs : 4 years Sen.Mgmt.[1]: 5 years Other: 3 years	N/A	50 % of deferred VC
Deferred: Restricted Equity Award (REA)	Deferred equity portion (linked to Deutsche Bank's share price over the vesting and retention period)	All employees with deferred VC	Equal tranche vesting: MRTs: 4 years Sen.Mgmt.[1]: 5 years Other: 3 years	Twelve months for MRTs	50 % of deferred VC

N/A – Not applicable
[1] For the purpose of Performance Year 2021 annual awards, Senior Management is defined as DB AG MB-1 positions; voting members of Business Division Top Executive Committees; MB members of Significant Institutions; respective MB-1 positions with managerial responsibility. For the specific deferral rules for the Management Board of DB AG refer to the Compensation Report for the Management Board.

Our employees are not allowed to sell, pledge, transfer or assign a deferred award or any rights in respect to the award. They may not enter into any transaction having an economic effect of hedging any variable compensation, for example offsetting the risk of price movement with respect to the equity-based award. Our Human Resources and Compliance functions, overseen by the Compensation Officer, work together to monitor employee trading activity and to ensure that all our employees comply with this requirement.

Ex-post Risk Adjustment of Variable Compensation

In line with regulatory requirements relating to ex-post risk adjustment of variable compensation, we believe that a long-term view on conduct and performance of our employees is a key element of deferred VC. As a result, all deferred awards are subject to performance conditions and forfeiture provisions as detailed below.

Overview on Deutsche Bank Group performance conditions and forfeiture provisions of Variable Compensation granted for Performance Year 2021

Provision	Description	Forfeiture
Solvency and Liquidity	If at the quarter end preceding vesting and release, any one of the following falls below a defined Risk Appetite threshold: CET1 Capital Ratio; Leverage Ratio; Economic Capital Adequacy Ratio; Liquidity Coverage Ratio; Liquidity Reserves	Between 10% and 100% of the next tranche of deferred award due for delivery / of the Equity Upfront Award, depending on the Risk Appetite threshold and the extent the Group / Divisional PBT condition(s) is/ are met
Group PBT	If for the financial year end preceding the vesting date adjusted Group PBT is negative[1]	Between 10% and 100% of the next tranche of deferred award due for delivery, depending on the extent Solvency and Liquidity condition is met and whether Divisional PBT condition is met (if applicable)
Divisional PBT	If for the financial year end preceding the vesting date adjusted Divisional PBT is negative[1]	Between 10% and 100% of the next tranche of deferred award due for delivery, depending on the extent Solvency and Liquidity condition is met and whether Group PBT condition is met
Forfeiture Provisions[2]	– In the event of an internal policy or procedure breach, breach of any applicable laws or regulations, or a Control Failure – If any award was based on performance measures or assumptions that are later deemed to be materially inaccurate – Where a Significant Adverse Event occurs, and the Participant is considered sufficiently proximate – If forfeiture is required to comply with prevailing regulatory requirements	Up to 100 % of undelivered awards
Clawback	In the event an InstVV MRT participated in conduct that resulted in significant loss or regulatory sanction/supervisory measures; or failed to comply with relevant external or internal rules regarding appropriate standards of conduct	100 % of award which has been delivered, before the second anniversary of the last vesting date for the award

[1] Considering clearly defined and governed adjustments for relevant Profit and Loss items (e.g., business restructurings; impairments of goodwill or intangibles). .
[2] Other provisions may apply as outlined in the respective plan rules.

Employee Groups with Specific Compensation Structures

For some areas of our bank, compensation structures apply that deviate, within regulatory boundaries, in some aspects from the Group Compensation Framework outlined above.

Control Functions

In line with InstVV, the bank has defined control functions that are subject to specific regulatory requirements. These control functions comprise Risk, Compliance, Anti-Financial Crime, Group Audit, parts of Human Resources, and the Compensation Officer and his Deputy. To prevent conflicts of interest, the parameters used to determine the Individual VC Component of these control functions do not follow the same parameters being used for the business they oversee. Based on their risk profile, these functions are subject to a fixed-to-variable pay ratio of 2:1.

In addition, for some corporate functions that perform internal control roles (including Legal, Group Finance, Group Tax, Regulation, and other parts of Human Resources), the bank has determined a fixed-to-variable pay ratio of 1:1.

Material Risk Taker Compensation Disclosure

For DB USA Corp, 263 employees were identified as Material Risk Takers according to InstVV for financial year 2021, compared to 557 employees for 2020. This decrease is attributable to the reduced number of quantitative (remuneration driven) MRTs as a result of the newly applicable remuneration thresholds following regulatory changes in 2021. The remuneration elements for all MRTs identified are detailed in the table below in accordance with Section 16 InstVV and Article 450 CRR.

Remuneration for 2021 - Material Risk Takers (REM 1)

						2021
	in € m. (unless stated otherwise)[1]	Supervisory Board[2]	Management Board[3]	Senior Management[4]	Other Material Risk Takers	Group Total
Fixed Pay	Number of MRTs	0	0	15	248	263
	Total Fixed Pay	0	0	20	194	214
	of which: cash-based	0	0	20	191	211
	of which: shares or equivalent ownership	0	0	0	0	0
	of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0	0
	of which: other instruments	0	0	0	0	0
	of which: other forms	0	0	0	3	3
Variable Pay	Number of MRTs[5]	0	0	15	248	263
	Total Variable Pay[5]	0	0	19	211	230
	of which: cash-based	0	0	10	106	116
	of which: deferred	0	0	9	98	107
	of which: shares or equivalent ownership	0	0	10	105	115
	of which: deferred	0	0	9	98	107
	of which: share-linked instruments or equivalent non-cash instruments	0	0	0	0	0
	of which: deferred	0	0	0	0	0
	of which: other instruments	0	0	0	0	0
	of which: deferred	0	0	0	0	0
	of which: other forms	0	0	0	0	0
	of which: deferred	0	0	0	0	0
	Total Pay	0	0	39	405	444

1The table may contain marginal rounding differences.
2 Supervisory Board includes the Deutsche Bank AG Supervisory Board Members.
3 Management Board includes the Management Board Members of Deutsche Bank AG.
4 Senior Management is defined as DB AG MB-1 positions and voting members of Business Division Top Executive Committees.
5 Beneficiaries only (HC reported for Supervisory Board and Management Board, FTE reported for the remaining part.
6 Variable Pay includes Deutsche Bank´s Year-end performance-based VC for 2021, Other VC and severance payments. It also includes fringe benefits awarded to Management Board Members of Deutsche Bank AG which are to be classified as variable remuneration. The table does not include new hire replacement awards for lost entitlements from previous employers (buyouts).

Guaranteed variable remuneration and severance payments - Material Risk Takers (REM 2)

					2021
in € m. (unless stated otherwise)[1]	Supervisory Board[2]	Management Board[3]	Senior Management[4]	Other Material Risk Takers	Group Total
Guaranteed variable remuneration awards					
Number of MRTs[5]	0	0	0	0	0
Total amount	0	0	0	0	0
of which: paid during financial year, not taken into account in bonus cap	0	0	0	0	0
Severance payments awarded in previous periods, paid out during financial year					
Number of MRTs[5]	0	0	0	0	0
Total amount	0	0	0	0	0
Severance payments awarded during financial year					
Number of MRTs[5]	0	0	2	11	13
Total amount[6]	0	0	0	1	1
of which: paid during financial year	0	0	0	1	1
of which: deferred	0	0	0	0	0
of which: paid during financial year, not taken into account in bonus cap	0	0	0	1	1

1 The table may contain marginal rounding differences.
2 Supervisory Board includes the Deutsche Bank AG Supervisory Board Members.
3 Management Board includes the Management Board Members of Deutsche Bank AG.
4 Senior Management is defined as DB AG MB-1 positions and voting members of Business Division Top Executive Committees.
5 Beneficiaries only (HC reported for all categories).
6 Severance payments are generally not taken into account for the bonus cap. The highest single severance payment made in 2021 amounts to € 230,030.

Deferred remuneration - Material Risk Takers (REM 3)

in € m. (unless stated otherwise)[1]	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments[5]	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
								2021
Supervisory Board[2]	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Management Board[3]	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash-based	0	0	0	0	0	0	0	0
Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Senior management[4]	**64**	**11**	**53**	**0**	**0**	**6**	**11**	**2**
Cash-based	34	8	26	0	0	0	8	0
interests	30	3	27	0	0	6	3	2
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Other Material Risk Takers	**559**	**124**	**435**	**0**	**1**	**46**	**122**	**27**
Cash-based	303	75	228	0	0	0	74	0
Shares or equivalent ownership interests	256	49	207	0	0	46	48	27
Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
Other instruments	0	0	0	0	0	0	0	0
Other forms	0	0	0	0	0	0	0	0
Total amount	**623**	**135**	**488**	**0**	**1**	**52**	**133**	**29**

1 The table may contain marginal rounding differences.
2 Supervisory Board includes the Deutsche Bank AG Supervisory Board Members.
3 Management Board includes the Management Board Members of Deutsche Bank AG.
4 Senior Management is defined as DB AG MB-1 positions and voting members of Business Division Top Executive Committees.
5 Changes of value of deferred remuneration due to the changes of prices of instruments.
6 Defined as remuneration awarded before the financial year which vested in the financial year (including where subject to a retention period)

Remuneration of high earners – Material Risk Takers (REM 4)

Incl. Pension & severance in €	2021 Number of Employees[1]
Total Pay[2]	
1,000,000 to 1,499,999	114
1,500,000 to 1,999,999	53
2,000,000 to 2,499,999	19
2,500,000 to 2,999,999	18
3,000,000 to 3,499,999	3
3,500,000 to 3,999,999	14
4.000,000 to 4,499,999	3
4,500,000 to 4,999,999	1
5,000,000 to 5,999,999	6
6,000,000 to 6,999,999	0
7,000,000 to 7,999,999	1
8,000,000 to 8,999,999	0
9,000,000 to 9,999,999	0
10,000,000 to 10,999,999	1
Total	233

1 Comprises MRTs only (including 2021 leavers).
2 Includes all components of FP and VC (including severances). Buyouts are not included.

Compensation Awards 2021– Material Risk Takers (REM 5)

	Management Body Remuneration			Business Areas							
in € m. (unless stated otherwise)[1]	Supervisory Board[2]	Management Board[3]	Total Management Body	IB[2]	CB[2]	PB[2]	AM[2]	CRU[2]	Corporate functions[2]	Independent internal control functions[2]	Total
Total number of Material Risk Takers[3]											**263**
of which: Management Body	0	0	0	0	0	0	0	0	0	0	0
of which: Senior Management[4]	0	0	0	4	3	0	0	0	8	0	15
of which: Other Material Risk Takers	0	0	0	197	8	14	0	8	19	3	248
Total Pay of Material Risk Takers	**0**	**0**	**0**	**386**	**11**	**19**	**0**	**5**	**22**	**3**	**444**
of which: variable pay[5]	0	0	0	210	5	8	0	1	6	1	230
of which: fixed pay	0	0	0	175	6	12	0	4	16	2	214

1 The table may contain marginal rounding differences.
2 Supervisory Board includes the Deutsche Bank AG Supervisory Board Members, Management Board includes the Management Board Members of Deutsche Bank AG. IB = Investment Bank; CB = Corporate Bank; PB = Private Bank; AM = Asset Management; CRU = Capital Release Unit. Control Functions include Chief Risk Office, Group Audit, Compliance and Anti-Financial Crime. Corporate Functions include any Infrastructure function which is neither captured as a Control Function nor part of any division.
3 HC reported for Supervisory Board and Management Board, FTE reported for the remaining part.
4 Senior Management is defined as DB AG MB-1 positions and voting members of Business Division Top Executive Committees.
5 Variable Pay includes Deutsche Bank´s Year-end performance-based VC for 2021, Other VC and severance payments. It also includes fringe benefits awarded to Management Board Members of Deutsche Bank AG which are to be classified as variable remuneration. The table does not include new hire replacement awards for lost entitlements from previous employers (buyouts)