

DWS USA Corporation

U.S. NET STABLE FUNDING RATIO DISCLOSURE

**For the periods ended September 30, 2023 and December 31,
2023**

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Overview

DWS Group GmbH & Co. KGaA, together with its subsidiaries and affiliates globally (collectively, DWS), is a global asset management company headquartered in Germany. DWS offers individuals, institutions and large corporations access to comprehensive investment solutions and bespoke portfolios across the full spectrum of investment disciplines. DWS is an indirect majority-owned subsidiary of Deutsche Bank Aktiengesellschaft (Deutsche Bank or DB), a bank holding company (BHC) and foreign banking organization (FBO) under the U.S. Bank Holding Company Act of 1956, as amended (BHC Act).

DWS USA Corporation (DWS USA), the top-tier holding company for DWS's U.S. subsidiaries and affiliates, is Deutsche Bank's second Intermediate Holding Company (IHC 2) for purpose of compliance with the Regulation YY Enhanced Prudential Standards, subject to the terms and conditions of a regulatory order granted by the Board of Governors of the Federal Reserve. DWS USA is subject to the Net Stable Funding Ratio (NSFR) under the NSFR rule adopted by the U.S. federal banking agencies (the NSFR Rule). As a Category III bank, DWS USA is subject to a reduced NSFR requirement of 85% of the full NSFR requirement under the Tailoring Rule adopted by the Federal Reserve.

The NSFR Rule includes public disclosure requirements (PDR) applicable to BHCs with \$50 billion or more in consolidated assets or \$10 billion or more in foreign exposure. Under the PDR, covered BHCs are required to disclose publicly, on a semi-annual basis, quantitative information about its average NSFR calculation for the prior two quarters and a discussion of the factors that have significantly impacted its NSFR. DWS USA is currently subject to the PDR. This disclosure document (this Disclosure) is designed to comply with the PDR.

The information in this Disclosure is calculated in accordance with the NSFR Rule and presented in accordance with the PDR. This Disclosure is organized as follows: Table 4 presents the Firm's overall NSFR in the format set forth in the PDR. Tables 1 through 3 provide supplemental information that breaks down the individual components that comprise the Firm's NSFR. This Disclosure covers the quarterly periods ended September 30, 2023 and December 31, 2023. References to "the firm," in this Disclosure refer to DWS USA and its consolidated subsidiaries.

Net Stable Funding Ratio (NSFR)

The NSFR is intended to promote the resilience of banks by requiring them to fund their activities with stable, longer-term funding sources rather than relying heavily on short-term funding, which is prone to increased withdrawals in times of liquidity stress. By encouraging banks to maintain a more balanced and sustainable funding structure, the NSFR seeks to enhance the overall stability and safety of the banking system. The ratio is defined as the amount of Available Stable Funding (ASF) divided by the amount of Required Stable Funding (RSF). ASF includes funding sources that are considered less sensitive to changes in market conditions and are less likely to be withdrawn or reduced quickly, even in times of financial

turbulence. These funding sources often have a defined medium- or long-term tenor. Examples of funding sources that contribute to ASF include retail deposits from individuals, long-term wholesale funding and equity capital. As set forth in the regulation, funding type, tenor and counterparty classification are the main considerations in determining the weighted value of funding sources. RSF represents the amount of stable funding that a bank is required to maintain to support its balance sheet assets and its off-balance sheet exposures. Assets or exposures that are perceived to be less liquid or more susceptible to funding risk would require a higher amount of stable funding and, therefore, will be assigned a higher percentage weighting in determining the RSF amount. Conversely, assets and / or exposures that are more liquid and more easily funded or converted to cash would require a lower amount of stable funding and receive a lower percentage weighting for determining RSF. As set forth in the regulation, asset tenor, encumbrance, counterparty classification, credit quality and market characteristics are the main factors considered in determining the weighted amount required to fund an asset or exposure. A bank is required to maintain an NSFR of 100% or higher, meaning that its ASF is higher than its RSF. If a bank's NSFR falls below the regulatory minimum, it may be required to take corrective actions to improve its funding profile and overall stability.

The NSFR is designed to measure the longer-term stability of the bank's funding sources.

U.S. Qualitative Disclosures

Summary of the NSFR and Main Drivers

The table below summarizes the Firm's average weighted NSFR for the quarter ended September 30, 2023 (3Q 2023) and the quarter ended December 31, 2023 (4Q 2023).

Table 1: NSFR from 3Q 2023 and 4Q 2023

Average Weighted Amounts (\$ in millions)	3Q2023 - 85%	4Q2023 - 85%
ASF ¹	1,922.29	1,869.45
RSF	1,252.63	1,268.11
NSFR	153.46%	147.42%
Excess ASF	669.66	601.34

(1) Excludes excess ASF held at subsidiaries that is not transferable

Figures reflect application of the 85% factor under the Tailoring Rule. Before application of the 85% factor, the total average RSF for 3Q 2023 and 4Q 2023 respectively was \$1,473.68 and was \$1,491.89. Without application of the 85% factor under the Tailoring Rule, the NSFR for 3Q 2023 and Q4 2023 respectively was 130.44% and 125.31%.

In the table above, the Firm calculates its ASF and RSF amounts by applying the standardized set of regulatory weightings to various assets and liability balances, including off-balance sheet exposures, as prescribed in the NSFR rule.

The Firm's NSFR is primarily driven by:

- ASF comprises primarily of the Firm's equity capital, long-term intercompany borrowings and wholesale funding, primarily operational deposits.
- RSF is comprised primarily of loans and other assets. The main components of the Firm's other assets are receivables from its parent company.

The Firm's average NSFR decreased by 6.04 percentage points quarter-over-quarter, mainly due to decreased ASF, resulting from lower asset balances attributed to annual dividend payment to parent company offset by all other liabilities related to accrued expenses for various service relationship and intercompany settlements. RSF, All increased modestly due to higher other assets resulting from an increase in intercompany transaction-related receivables, deferred tax assets and seed assets offset by lower accrued interest receivable and a small decline in third-party receivables. Details on the average weighted ASF and RSF and their sub-components for the relevant periods are presented in Tables 2 and 3 below, respectively.

Summary of ASF

Table 2: ASF from 3Q 2023 and 4Q 2023

Average Weighted Amounts (\$ in millions)	3Q2023	4Q2023
Capital and Securities	1791.70	1740.35
Wholesale Funding	130.59	129.10
Total Derivatives Liability Amount	0.00	0.00
All other liabilities not included in the above categories ²	0.00	0.00
Total Available Stable Funding	1922.29	1869.45

(2) Includes intercompany payables, taxes payable and all other payables

Average ASF decreased from 3Q 2023 to 4Q 2023 by \$52.84 million. Of the total ASF, Capital and Securities decreased by \$51.35 million, and Wholesale Funding decreased by \$1.49 million. These changes were primarily due to \$82.9 million dividends paid to the parent company as well as higher expense accruals from intercompany settlements, which was offset by overall lower liabilities, resulting from reduced intercompany settlement activity.

Summary of RSF

Table 3: RSF³ from 3Q 2023 and 4Q 2023

Average Weighted Amounts (\$ in millions)	3Q2023	4Q2023
Total High-Quality Liquid Assets (HQLA)	10.20	10.23
Loans and Securities	156.83	163.13
Assets provided as initial margin for derivative transactions and contributions to CCPs mutualized loss-sharing arrangements	3.27	3.42
Total Derivatives Asset Amount	0.00	0.00
All other assets not included in the above categories, including nonperforming assets ⁴	1303.38	1315.10
Total Required Stable Funding	1473.68	1491.89
85% RSF per Tailoring Rule	1252.63	1268.11

(3) Except where indicated, the figures reflect before the application of the 85% factor under the Tailoring Rule

(4) Includes account receivable, leases, ETF, seed investments and all other assets

Prior to the application of the 85% factor per the Tailoring Rule, average RSF increased \$18.21 million quarter-over-quarter. This increase was mainly driven by a \$6.3 million increase in Loan and Securities attributable to an increase in cash from revenue inflows and HQLA maturities, which were used to pay the dividend to the parent company, as well as tax and other operational expenses. In addition, there was an \$0.15 million increase in Assets due to initial margin increase from market volatility and \$11.72 million increase in all other assets primarily due to higher intercompany receivables and growth in deferred tax and seed assets, partially offset by lower accrued interest and third-party receivables.

Composition of Eligible HQLA

HQLA represents the sum of eligible Level 1 liquid assets, Level 2A liquid assets, and Level 2B. Liquid assets are eligible for inclusion in the NSFR based on the specific operational and general requirements.

Liquidity Management

Liquidity risk is the risk arising from the potential inability to meet all payment obligations when they come due. The Liquidity Management (LM) function of the Firm is responsible for ensuring that the Firm can fulfill its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The framework considers relevant drivers of liquidity risk, whether on-balance sheet or off-balance sheet.

To meet the stated objectives, the Firm executes upon its liquidity risk management framework. The DWS USA Liquidity Risk Management Framework is structured around six core workstreams - risk appetite and supporting metrics, risk identification, risk measurement, risk reporting and monitoring, risk management, and governance and oversight. These six workstreams collectively provide the processes, tools, and oversight necessary for LM to effectively manage DWS USA's liquidity position and ensure the Firm can meet its payment obligations.

LM manages DWS USA Corporation's funding and liquidity risk through the implementation of risk appetite limits, legal entity thresholds and early warning indicators. In addition, LM works closely with DWS Risk Management (Risk), and the business, to identify the relevant inherent liquidity risks and aims to ensure that they are measured and managed through the liquidity risk management framework. These parties are continuously engaged in understanding changes in the Firm's liquidity risk position arising from business activities and market conditions.

Liquidity Risk Management Framework

Risk is an independent oversight function operating as part of the second line of defense within the context of liquidity risk and is responsible for overseeing and evaluating the effectiveness of the liquidity management activities performed by LM and the lines of business. Risk directly supports the DWS USA Chief Risk Officer in overseeing the liquidity risk management framework for the Americas region.

LM is responsible for proactive management of liquidity risks within the Firm. At least annually, Risk reviews and evaluates the adequacy and effectiveness of DWS USA's liquidity risk management practices.

As part of ongoing monitoring of liquidity risk, Risk reviews liquidity metrics such as the Internal Liquidity Stress Test results, LCR, NSFR, and the Firm's aggregate liquidity buffer. Commentary is provided to Capital Liquidity Management Council (CLMC) and Management Risk Council (MRC) as part of the Risk Capital Profile that is sent to members of the DWS USA Corporation Board of Directors Risk Committee monthly.

Liquidity Stress Testing

Within the risk measurement work stream of the liquidity management framework, liquidity stress testing is a core tool for measuring liquidity risk and evaluating the Firm's liquidity position. The Firm uses both regulatory metrics, such as LCR and NSFR, and internal metrics, such as liquidity stress tests and Cash Flow Forecasting (CFF) to respectively monitor short-term and long-term liquidity. The liquidity stress test is used to quantify the Firm's liquidity position over a time horizon up to one (1) year, measure and analyze expected cash inflows and outflows in stress, determine whether the current and future stressed net liquidity position is in line with the relevant risk appetite, set the liquidity buffer requirements and efficiently manage the liquidity position of the Firm.

The Internal Liquidity Stress Test measures the net liquidity position of the Firm under different scenarios by applying validated liquidity risk assumptions to the Firm's assets, liabilities, and off-balance sheet items, which are identified to have liquidity risk. The Internal Liquidity Stress Test is run daily and is produced for a 12-month forward-looking time horizon.

Cash Flow Forecasting (CFF)

As part of its long-term liquidity management, DWS USA employs CFF which was designed to provide management with a tool for forecasting and anticipating cash movements within DWS USA and its sub-entities. Accurate and timely forecasting is necessary to ensure that DWS USA has sufficient liquidity resources to meet its obligations and allow management sufficient time to respond to anticipated shortfalls or surpluses.

U.S. Quantitative NSFR Disclosures

The following tables present the Firm's average NSFR, and the average unweighted and weighted amounts across the prescribed tenor bucketing for 1Q 2023 and 2Q 2023:

Table 4: U.S. Quantitative NSFR Disclosures from 3Q 2023 and 4Q 2023

Unweighted and weighted averages for quarter ended September 30, 2023 (3Q 2023)												
ITEM #		Open Maturity	NSFR Weight	< 6 Months	NSFR Weight	6 months to < 1 year	NSFR Weight	>= 1 year	NSFR Weight	Perpetual	NSFR Weight	Total Weighted Amount
1	Capital and Securities	-	100%	-	100%	-	100%	-	100%	1,792	100%	1,792
2	NSFR Regulatory Capital Elements	-	100%	-	100%	-	100%	-	100%	1,792	100%	1,792
9	Wholesale Funding	-	0%	-	0%	-	50%	131	100%	-	100%	131
11	Other Wholesale Funding	-	0%	-	0%	-	50%	131	100%	-	100%	131
13	Total Derivatives Liability Amount	-	0%	-	0%	-	0%	-	0%	0	0%	-
14	All other liabilities not included in the above categories	-	0%	648	0%	-	0%	-	0%	-	0%	-
15	Total ASF	-	-	-	-	-	-	-	-	-	-	1,922
16	Total High-Quality Liquid Assets (HQLA)	-	-	447	-	141	-	14	-	-	-	10
17	Level 1 Liquid Assets	-	0%	432	0%	130	0%	9	0%	-	0%	-
18	Level 2 Liquid Assets	-	15%	15	15%	11	15%	5	15%	-	15%	10
22	Loans and Securities	287	-	-	-	-	-	114	-	-	-	157
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	287	15%	-	15%	-	50%	114	100%	-	100%	157
29	Securities that do not qualify as HQLA	-	50%	-	50%	-	50%	-	85%	-	85%	-
31	Assets provided as initial margin for derivative transactions and contributions to CCPs mutualized loss-sharing arrangements	-	50%	-	50%	-	50%	-	85%	4	85%	3
33	Total Derivatives Asset Amount	-	0%	-	0%	-	0%	-	0%	0	0%	-
35	All other assets not included in the above categories, including nonperforming assets	-	50%	169	50%	-	50%	462	100%	738	100%	1,303
37	Total RSF	-	-	-	-	-	-	-	-	-	-	1,474
38	Net Stable Funding Ratio	-	-	-	-	-	-	-	-	-	-	153.5%

Unweighted and weighted averages for quarter ended December 31, 2023 (4Q 2023)												
ITEM #		Open Maturity	NSFR Weight	< 6 Months	NSFR Weight	6 months to < 1 year	NSFR Weight	>= 1 year	NSFR Weight	Perpetual	NSFR Weight	Total Weighted Amount
1	Capital and Securities	-	100%	-	100%	-	100%	-	100%	1,740	100%	1,740
2	NSFR Regulatory Capital Elements	-	100%	-	100%	-	100%	-	100%	1,740	100%	1,740
9	Wholesale Funding	-	0%	-	0%	-	50%	129	100%	-	100%	129
11	Other Wholesale Funding	-	0%	-	0%	-	50%	129	100%	-	100%	129
13	Total Derivatives Liability Amount	-	0%	-	0%	-	0%	-	0%	0	0%	-
14	All other liabilities not included in the above categories	-	0%	658	0%	-	0%	-	0%	-	0%	-
15	Total ASF	-	-	-	-	-	-	-	-	-	-	1,869
16	Total High-Quality Liquid Assets (HQLA)	-	-	454	-	99	-	13	-	-	-	10
17	Level 1 Liquid Assets	-	0%	439	0%	98	0%	7	0%	-	0%	-
18	Level 2 Liquid Assets	-	15%	15	15%	0	15%	5	15%	-	15%	10
22	Loans and Securities	330	-	-	-	-	-	114	-	-	-	163
24	Loans to financial sector entities secured by assets other than level 1 liquid assets and unsecured loans to financial sector entities	330	15%	-	15%	-	50%	114	100%	-	100%	163
29	Securities that do not qualify as HQLA	-	50%	-	50%	-	50%	-	85%	-	85%	-
31	Assets provided as initial margin for derivative transactions and contributions to CCPs mutualized loss-sharing arrangements	-	50%	-	50%	-	50%	-	85%	4	85%	3
33	Total Derivatives Asset Amount	-	0%	-	0%	-	0%	-	0%	0	0%	-
35	All other assets not included in the above categories, including nonperforming assets	-	50%	172	50%	-	50%	492	100%	737	100%	1,315
37	Total RSF	-	-	-	-	-	-	-	-	-	-	1,492
38	Net Stable Funding Ratio	-	-	-	-	-	-	-	-	-	-	147.4%