



This document provides you with key information about Investment Bank Products. It is not marketing material. The purpose of this document is to break down and illustrate the Costs and Charges associated with a Class of Products. This document provides examples of particular products within an ESMA Asset Class¹ and the Costs and Charges associated with them. It does not include examples of all available Products within an Asset Class. The Costs and Charges figures provided in this document are illustrative of the Costs and Charges associated with particular Products, but may not reflect the Costs and Charges associated with any actual transaction. If you have any questions in relation to the Costs and Charges associated with any particular Product, please raise these with your usual Deutsche Bank Representative. We will provide to you Annual information in relation to the Costs and Charges associated with transactions actually carried out with you.

What are the Costs?

The Costs and Charges associated with the relevant class of Products are set out in the illustrations below.

Costs of manufacturing the Product:

Entry Cost is calculated as the difference between the execution, purchase or sale price, inclusive of any applicable margin determined by Deutsche Bank AG (DB) N1, and the component of such price which DB has determined relates to the underlying market risk associated with the relevant product. If a financial instrument is held to maturity, exit costs will not be incurred. However, if the financial instrument is terminated or unwound prior to maturity and that results in further costs and charges, exit costs will occur.

Note 1: The price of a product is not solely based on the theoretical value of the product, but also includes an additional margin that reflects, DB's profit, the costs for conception, structuring, sales, distribution, any applicable credit risk, settlement of the product and balance sheet and capital usage as well as expenditure for the hedging of market risks. DB determines the margin in relation to each transaction, taking into account the market situation, the complexity of the product's structure, the size of the transaction and liquidity of the product.

Where applicable such costs may include compensation for the credit risk that Deutsche Bank AG is taking vis-à-vis its client. For DB the inclusion of the additional margin in the Price of the Product results in an initial negative market value. In general, the market risk from financial instruments of this type does not remain with DB, but will be partially or completely transferred to the market. To the extent such transfer takes place, DB realizes the profit that is, amongst other factors, reflected by the additional margin regardless of the further performance of the product provided that the credit risk to the client that is taken by DB does not occur. The provision of any collateral required in connection with the product may result in funding costs for the client depending on its resources and its overall position with DB. Foreign exchange costs may also be incurred in respect of certain products.

The costs incurred in relation to these examples would all be product costs and no service costs would be applicable. Accordingly, the aggregated product costs represent the total costs of the product.

What is the effect of Costs on the return of the Products?

Entry costs are a one off charge and presented as an upfront cost based on the assumption that the product will be held to maturity. This amount frequently does not have to be paid separately; it is factored into the terms and conditions of the product and therefore reduces the market value of the product accordingly.

When there are on-going costs for a product, the total cost amount throughout the product lifetime may diverge from the illustrated examples. Where applicable the on-going costs and associated cost calculation methodology are pre-defined in each product's specific documentation.

If the product will be held to maturity, exit costs will not be incurred. However, if the product is terminated or unwound prior to maturity exit costs may occur. In such a case, we assume that the exit costs will be equal to the total entry costs.

Total entry costs plus the on-going costs (if any) for the first year will be incurred in the first year of the product lifetime. In the subsequent years, only on-going costs (if any) will be incurred. If the product is terminated or unwound prior to maturity, in the final year of the product lifetime the proportionate on-going costs (if any) plus the exit costs will be incurred. If costs are incurred in a year of the product lifetime, such costs will reduce the market value of the product for such period accordingly.

¹ <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0583&rid=1>

ESMA Asset Class: Equity Derivatives

Manufacturer: this may be Deutsche Bank AG. Contact your Deutsche Bank representative for more information.

Competent authority of Deutsche Bank AG: Authorised in the UK by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Authorised and Regulated in Germany by the ECB, Bundesbank and BaFin.

An Equity Derivative is an Instrument whose Fair Value is derived from either:

The Price Volatility and Forward Price of the underlying referenced Instrument with the option to convert into a notional amount over a specified duration based on the conditions of the contract; or

Swapping existing payments to an underlying referenced Instrument, Index or Benchmark rate based on the duration specified and conditions of the contract.

Cost is the difference between *Mid-Price / Fair Value and the Bid Price or Offer Price*

If you have any questions in relation to the Costs and Charges associated with Equity Derivative Instruments, please raise these with your usual Deutsche Bank Representative.

Sub Asset Class: Equity Stock Index Forwards & Options

OTC Equity Stock Index Forwards and Options are bilateral contracts on the value of a particular stock market index and used for hedging, trading, and investments. The Costs and Charges figures provided in the tables below are illustrative of the Costs and Charges associated with particular Products but (to the extent indicated in this document) may not reflect the Costs and Charges associated with any actual transaction.

Product Group: OTC Volatility Index Forward

Product: OTC Forward on Volatility Index

Underlying: VSTOXX Volatility Index

Structure: European Style Long Call Short Put; €4,625,000 Notional; €18.5 Strike

Maturity: T+6 Months (Listed Maturity)

An OTC Volatility Index Forward / Option allows the contract holder to take a position on the implied volatility of the referenced index at a specified date. Volatility determines the underlying value of a derivative contract, as the greater the volatility, the higher the probability the exercise price will move into the money.

	<u>Costs</u>	<u>Structure Premium</u>	<u>Cost %</u>	<u>250,000 Contracts</u>
Entry Cost:				
Bid-Price	€0.1		-	€25,000
Fair Value / Mid-Price	€0.3		-	€75,000
Total Entry Costs	€0.20		1.081%	€50,000
On Going Costs:	N/A		-	N/A
Exit Costs:	N/A		-	N/A
Incidental Costs:	N/A		-	N/A
Total Costs	€0.20		1.081%	€50,000
Traded Price	€0.1		-	€25,000
Inducements:	N/A		-	N/A

Product Group: OTC Volatility Index Option

Product: OTC Call Option on Volatility Index

Underlying: VSTOXX Volatility Index Future

Structure: European Style Call; €2,000,000 Notional; €20 Strike

Maturity: T+ 5 Months (Listed Maturity)

<u>Costs</u>	<u>Option Premium</u>	<u>Cost %</u>	<u>100,000 Contracts</u>
Entry Cost:			
Offer-Price	€0.85	-	€85,000
Fair Value / Mid-Price	€0.75	-	€75,000
Total Entry Costs	€0.10	0.5%	€10,000
On Going Costs:	N/A	-	N/A
Exit Costs:	N/A	-	N/A
Incidental Costs:	N/A	-	N/A
Total Costs	€0.10	0.5%	€10,000
Traded Price	€0.85	-	€85,000
Inducements:	N/A	-	N/A

Product Group: OTC Dividend Index Forward

Product: OTC Forward on Dividend Index

Underlying: FTSE 100 Dividend Index Future

Structure: European Style Long Call Short Put; £147,500,000 Notional; £295 Strike

Maturity: T+2 Years (Listed Maturity)

An OTC Dividend Index Forward is a bilateral contract that allows holder to take a position on future dividend payments on the referenced index at a specified date.

<u>Costs</u>	<u>Option Premium</u>	<u>Cost %</u>	<u>50,000 Contracts</u>
Entry Cost:			
Bid-Price	£0	-	£0
Fair Value / Mid-Price	£5	-	£50,000
Total Entry Costs	£5	0.0338%	£50,000
On Going Costs:	N/A	-	N/A
Exit Costs:	N/A	-	N/A
Incidental Costs:	N/A	-	N/A
Total Costs	£5	0.0338%	£50,000
Traded Price	£0	-	£0
Inducements:	N/A	-	N/A

Product Group: OTC Stock Forward

Product: OTC Forward Contracts on Single Stock

Underlying: Single Stock Company ZYZ

Structure: American Physical, Long Call Short Put; €13,500,000 Notional; €180 Strike

Maturity: T+ 12 Months (Listed Maturity)

An OTC Stock Forward is a bilateral contract that allows the holder to take a notional position on the price of a referenced equity share at a specified future physical delivery date.

<u>Costs</u>	<u>Option Premium</u>	<u>Cost %</u>	<u>75,000 Contracts</u>
Entry Cost:			
Offer-Price	€18.11	-	€1,358,250
Fair Value / Mid-Price	€17.82	-	€1,336,500
Total Entry Costs	€0.29	0.1611%	€21,750
On Going Costs:	N/A	-	N/A
Exit Costs:	N/A	-	N/A
Incidental Costs:	N/A	-	N/A
Total Costs	€0.29	0.1611%	€21,750
Traded Price	€18.11	-	€1,358,250
Inducements:	N/A	-	N/A

Product Group: OTC Stock Index Forward

Product: OTC Forward on a Stock Index

Underlying: EUROSTOXX 50

Structure: European Style Long Call Short Put; €325,000,000 Notional; 3,250 Strike

Maturity: T+9 Months (Listed Maturity)

<u>Costs</u>	<u>Option Premium</u>	<u>Cost %</u>	<u>100,000 Contracts</u>
Entry Cost:			
Bid-Price	€24	-	€2,400,000
Fair Value / Mid-Price	€21.5	-	€2,150,000
Total Entry Costs	€2.5	0.077%	€250,000
On Going Costs:	N/A	-	N/A
Exit Costs:	N/A	-	N/A
Incidental Costs:	N/A	-	N/A
Total Costs	€2.5	0.077%	€250,000
Traded Price	€24	-	€2,400,000
Inducements:	N/A	-	N/A