Deutsche Bank Investment Bank
Ex-Ante Cost Disclosure 2018

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 Class[1] 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 (to the extent indicated in this document) 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 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://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160714-rts-2-annex_en.pdf

ESMA Asset Class: Interest Rate Derivatives

Manufacturer: 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.

Interest Rate Derivatives are instruments whose payment streams and / or current valuation are determined through movements in an underlying benchmark interest rate or set of differing interest rates.

The Fair Value of an Interest Rate Derivatives contract is based on the divergence between a specified fixed rate and an underlying referenced floating benchmark rate.

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

The price sensitivity of Fixed Income Instruments generally increases as the maturity profile of the Asset increases; therefore the longer the instruments maturity, the greater the risk, reflected by the increasing Cost.

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

Sub Asset Class: Inflation Swaps

Inflation Swaps are a form of Inflation derivative used to transfer inflation risk from one counterparty to another. One party pays a fixed rate on a notional principal amount, while the other party pays a floating rate linked to an inflation index.

The Costs and Charges figures provided in the table below are illustrative of the Costs and Charges associated with this particular Product but (to the extent indicated in this document) may not reflect the Costs and Charges associated with any actual transaction.

Product: Inflation Swaps Single Currency @1.5%; assume CCP ISDA CSA Agreement

Underlying: CPXTEMU – Pay Zero Curve Par Rate @1.44250

Maturity: 10 Year – Sep 2028

Costs	%	Notional: €10,000,000
Entry Cost:		
Bid Price	0	€0
Mid-Price / Fair Value	0.6144%	€61,441
Total Entry Costs	0.6144%	€61,441
On Going Costs:	N/A	N/A
Exit Costs:	N/A	N/A
Incidental Costs:	N/A	N/A
Total Costs	0.6144%	€61,441
Traded Price	0.6144%	€61,441
Inducements:	**0%**	**€0**

Document updated on: 08/02/2018 16:48