



Deutsche Bank – Credit Overview

As of 31 December 2017

Summary



Deutsche Bank today

- Progress: Wind-down of the non-core unit and resolved a significant number of large litigation items
- Successful execution of the strategic measures over the next few years will further simplify and de-risk the bank while improving efficiency and the service we provide to our target clients
- Strength of the balance sheet gives time and flexibility to execute the strategic plan
 - DB is well positioned to meet all current and future regulatory requirements. CET1 capital ratio above most peers
 - Cash and high quality liquid assets account for ~25% of Deutsche Bank's funded balance sheet, negatively impacting returns but providing further support
 - Over 70% of the balance sheet is funded by long-term, diversified sources

Creditor / Counterparty considerations

- German bail-in law provides greater protection for various creditors, such as depositors, derivative counterparties, beneficiaries of guarantees and letters of credit (LoCs), holders of structured notes and money market instruments by subordinating plain vanilla senior unsecured debt
- As a result, senior unsecured ratings and CDS prices are no longer a good reflection of the credit worthiness of a bank
- All rating agencies now have separate counterparty obligation ratings, covering - depending on the agency - products such as deposits, derivatives and guarantees/LoCs



1 **Deutsche Bank today**

2 Creditor / Counterparty considerations



Deutsche Bank at a glance

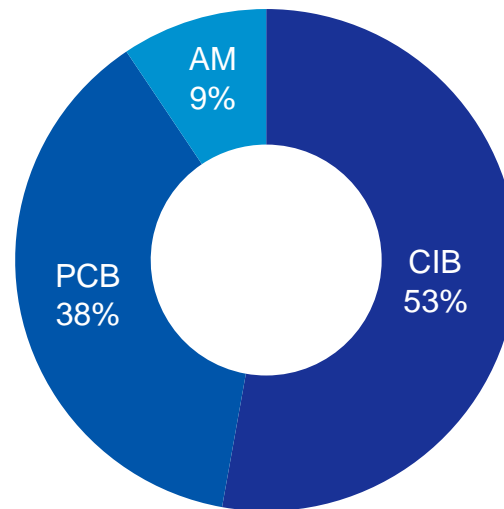
€ bn

Key figures⁽¹⁾ (31 Dec 2017)

IFRS assets	1,475
Leverage exposure	1,395
Risk-weighted assets	344
Common Equity Tier 1 capital	48.4
Tier 1 capital	53.0
Total capital	63.5
CET1 ratio	14.0%
Leverage ratio	3.8%

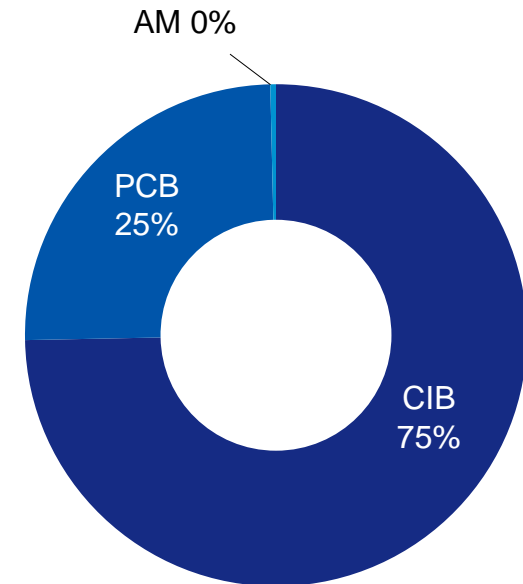
Revenues by business⁽²⁾

FY 2017



Leverage exposure by business⁽³⁾

31 Dec 2017



Note: Figures may not add up due to rounding differences. CIB: Corporate & Investment Bank, PCB: Private & Commercial Bank, AM: Deutsche Asset Management

(1) All figures, except IFRS assets are on a CRR / CRD 4 fully loaded, pro forma basis. On a phase-in basis as of 31 December 2017: Leverage exposure: €1,396bn, RWA: €343bn, Common Equity Tier 1 capital: €50.9bn, Tier 1 capital: €57.7bn, Total capital: €64.3bn, Common Equity Tier 1 ratio: 14.8%, Leverage ratio: 4.1%

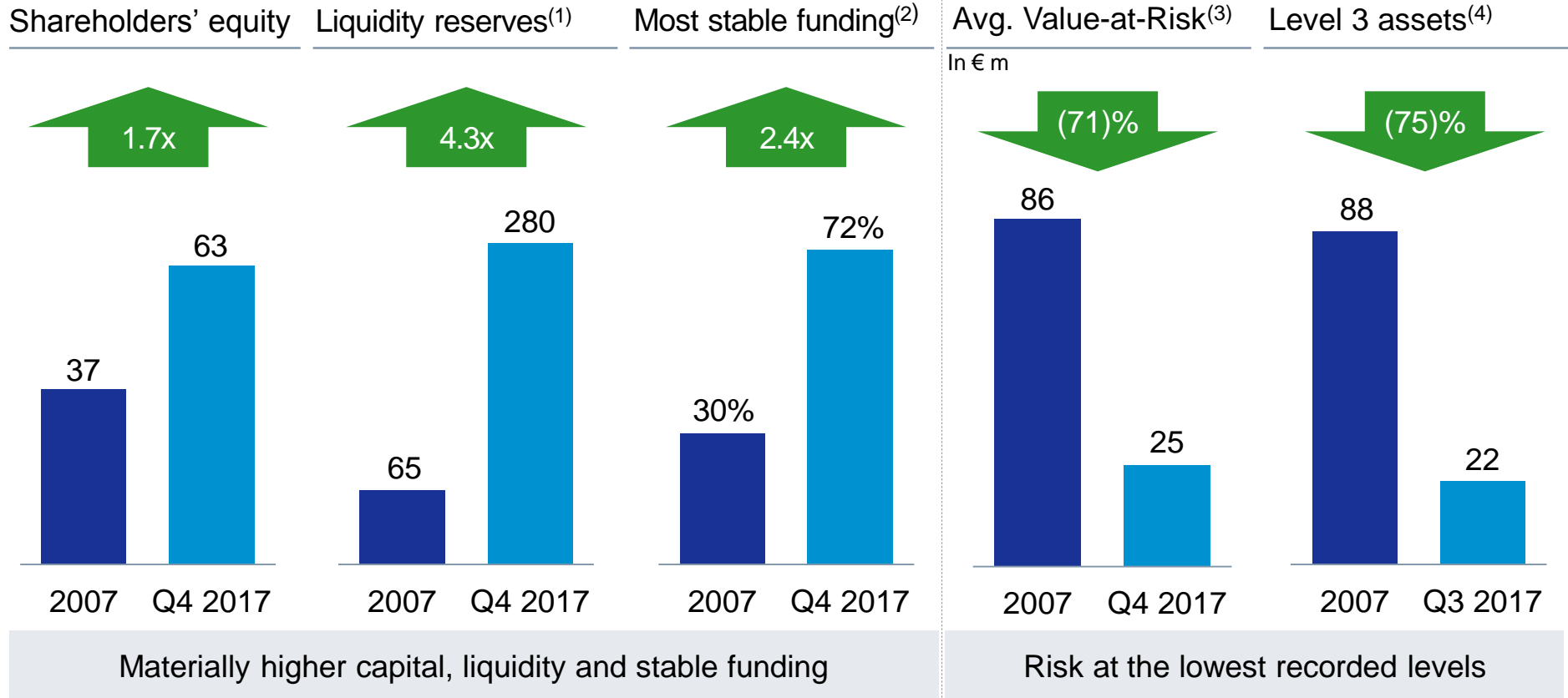
(2) 2017 revenues of €26.4bn included revenues for Consolidations & Adjustments of €(488)m that are not included for the calculation of the percentages

(3) 31 December 2017 leverage exposure of €1,395bn included Consolidations & Adjustments exposure of €18bn (1%) that are not included for the calculation of the percentages



A safer and more secure organization

€ bn, at period end, unless otherwise stated



(1) Liquidity reserves include cash, highly liquid government, agency and government guaranteed bonds and other Central Bank eligible securities
 (2) Most stable funding as a proportion of the total €1,015bn external funding profile. Most stable funding is defined as funds from Capital Markets & Equity, Retail, Transaction Banking and Wealth Management deposits
 (3) Value-at-risk (VaR) is the average risk of loss for Deutsche Bank's trading units based on a 99% confidence interval and a one-day holding period
 (4) Level 3 assets tend to be less liquid instruments where fair value cannot be determined directly by reference to market-observable pricing. Examples would include more-complex OTC derivatives, distressed debt and highly-structured bonds



Well positioned for long-term regulatory requirements

	Regulatory ratios		Fully loaded	31 Dec 2017	Group targets
	31 Dec 2017	Buffer			
CET1 ratio (phase-in) ⁽¹⁾	14.8%	~€18bn above SREP requirement ⁽¹⁾	CET 1 ratio	14.0%	Comfortably above 13%
Liquidity coverage ratio ⁽²⁾	140%	~€74bn above 2018 100% requirement	Leverage ratio	3.8%	4.5%
Total loss absorbing capacity	36% RWA/ 9% Leverage exposure	~€39bn above 2019 minimum requirements ⁽³⁾			

(1) Represents capital above the CET1 requirement contained in the ECB 2017 SREP letter

(2) Liquidity coverage ratio is designed to promote the short-term resilience of the liquidity risk profile of banks by ensuring an adequate stock of unencumbered high-quality liquid assets that can be converted in private markets into cash to meet their liquidity needs for a 30 calendar day liquidity stress scenario. Based on EBA Delegated Act

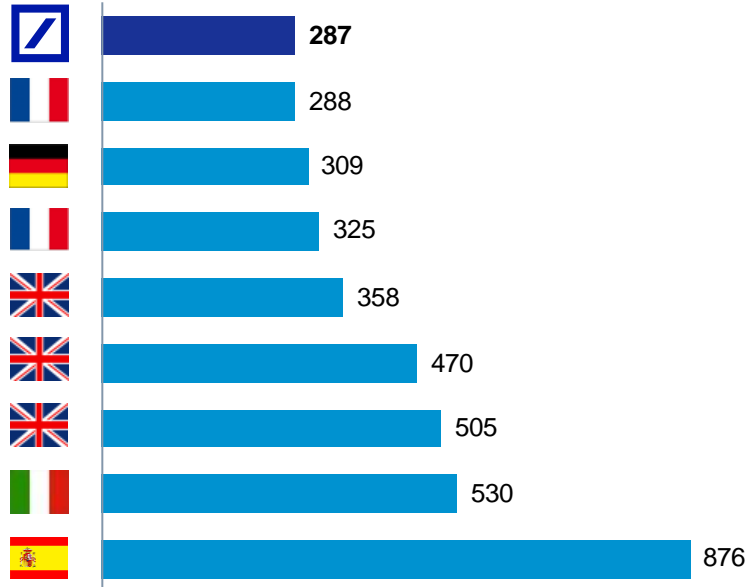
(3) Total loss absorbing capacity is the amount of debt or capital instruments available to absorb to losses without the need for Government or taxpayer support. Based on final FSB term sheet requirements of higher of: 16% RWA (plus buffers) and 6% leverage exposure from 2019 and 18% RWA (plus buffers) and 6.75% leverage exposure from 2022. TLAC includes instruments issued by DB AG or DB-related trusts with time to maturity or time to call > 1 year; nominal values. Includes all non-callable plain-vanilla senior debt (including Schuldscheine and other domestic registered issuance) > 1 year, irrespective of issuer jurisdiction and governing law



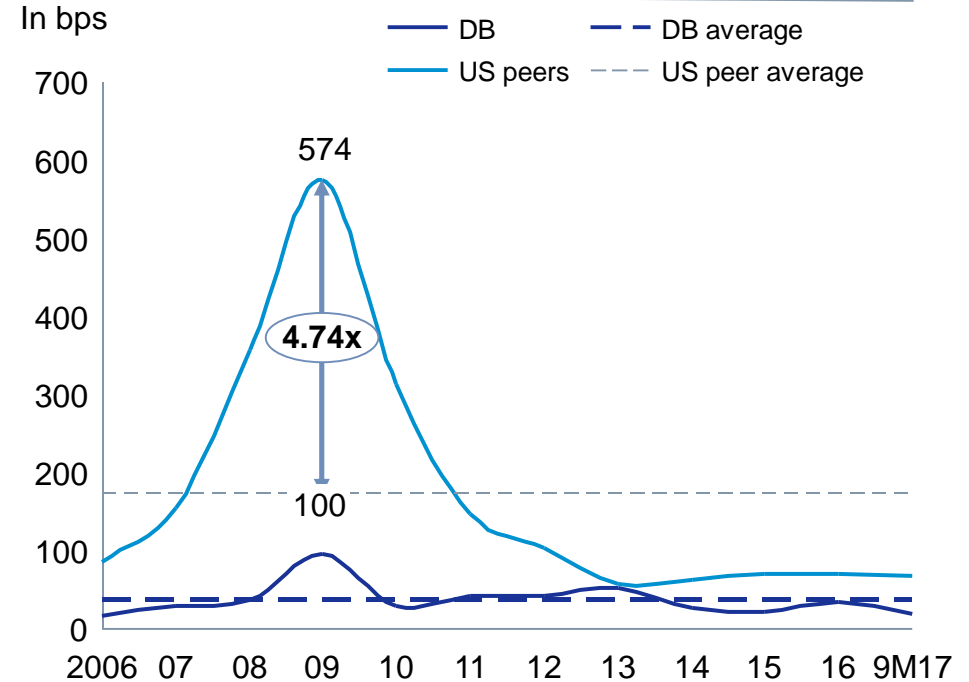
Strong credit quality versus peers

Stressed credit losses vs. European peers

EBA/ECB stress test⁽¹⁾ net credit losses in adverse scenario.
Impact on CET1 ratio, in bps



Net credit loss provisions⁽²⁾ well below US peers



- Leverage is a very crude instrument that does not take into account the risk profile of various assets
- DB's credit losses best in class versus European and US peers
- Credit loss provisions materially below US peers reflecting the lower return / lower risk nature of the credit portfolio
 - Retail portfolio is predominantly mortgage driven (>80%) with a strong bias to Germany
 - ~70% of corporate exposure⁽³⁾ to Investment Grade counterparties

(1) Latest EU-wide stress test from 2016 (<https://www.bankingsupervision.europa.eu/press/pr/date/2016/html/sr160729.en.html>)

(2) Credit loss provisions divided by gross loan book. US peers: Bank of America, Citigroup and JPMorgan

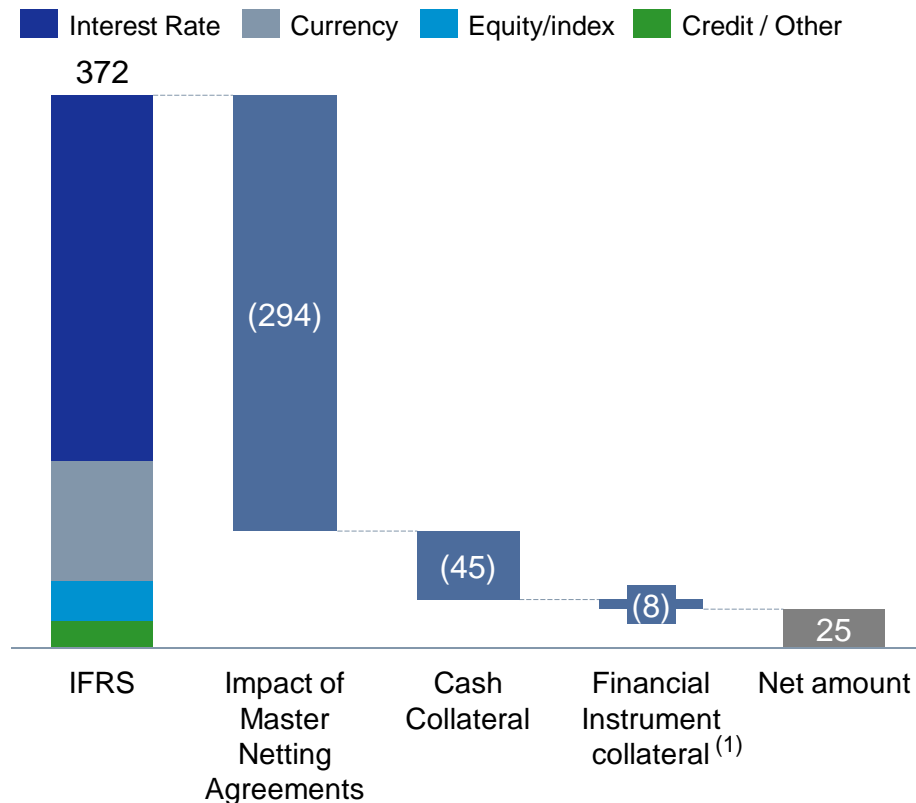
(3) Based on Deutsche Bank internal ratings. Corporate exposure includes loans, irrevocable lending commitments, contingent liabilities, OTC derivatives and debt securities

Derivatives exposure – headline numbers materially overstate the economic risk



IFRS derivative trading assets and the impact of netting and collateral

€ bn, as of 30 September 2017



Comments

- Gross notional derivative exposure amounts are not exchanged and relate only to the reference amount of all contracts. It is no reflection of the credit or market risk run by a bank
- IFRS balance sheet derivatives trading assets are the present value of future cash flows owed to DB and as a result represent the credit risk to the Bank
- Unlike US GAAP, IFRS accounting does not allow for all master netting agreements⁽²⁾ to reduce derivative assets shown on the balance sheet
- DB's reported IFRS derivative trading assets of €372bn would fall to €25bn on a net basis, after considering the master netting agreements in place and collateral received
- In addition, DB actively hedges its net derivatives trading exposure to further reduce the economic risk

Note: Figures may not add up due to rounding differences

(1) Excludes real estate and other non-financial instrument collateral

(2) Master netting agreements allow counterparties with multiple derivative contracts to settle through a single payment

Agenda



1 Deutsche Bank today

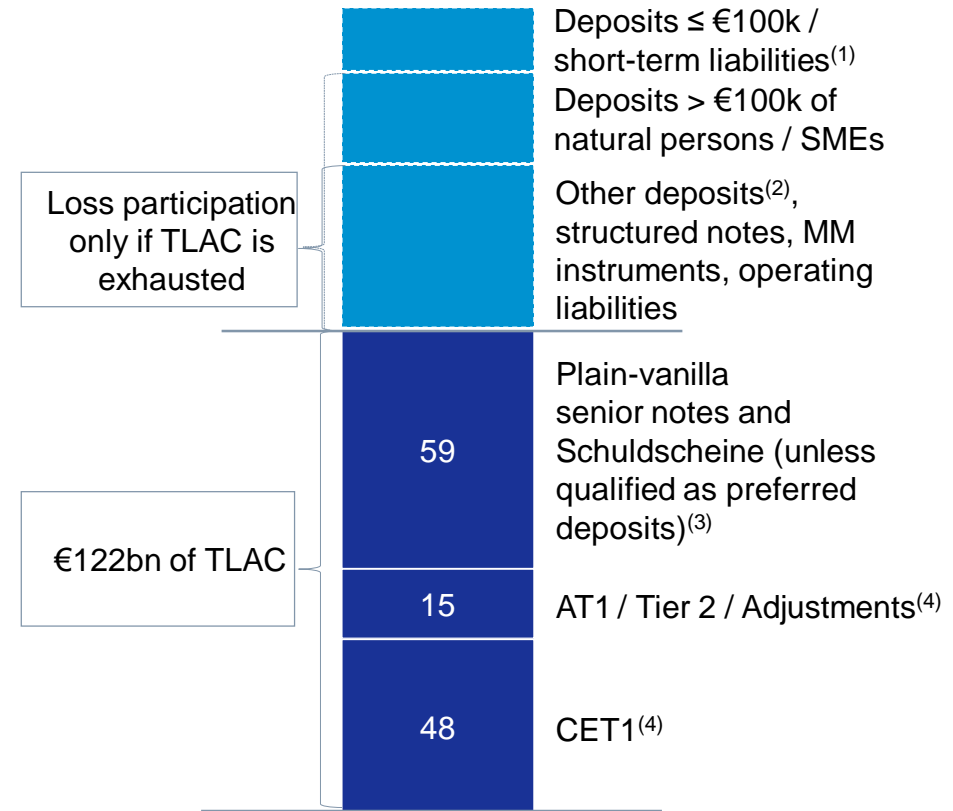
2 Creditor / Counterparty considerations



Changes to German insolvency law have strengthened position of depositors and counterparties

€ bn

- Creditors, including depositors, derivative counterparties, beneficiaries of guarantees and LoC's, structured note holders and money market instruments sit above €63bn of equity, Tier 1 and Tier 2 instruments and also €59bn of senior plain vanilla debt liable for bail-in
- Deutsche Bank has €122bn of Total Loss Absorbing Capacity (TLAC). Senior plain-vanilla debt < 1 year will not qualify as TLAC but still represents loss-absorbing capacity
- CDS & senior unsecured bond yields are no longer appropriate risk proxies for the entire Deutsche Bank Group, given the lower ranking of plain-vanilla senior unsecured bonds under the German bail-in law



31 Dec 2017

Note: Figures may not add up due to rounding differences

(1) Insured deposits and deposits by credit institutions and investment firms with original maturity <7 days are excluded from bail-in

(2) Deposits >€100k of large caps, all remaining deposits of financial institutions and the public sector

(3) Includes all plain-vanilla senior debt (including callable bonds, Schuldscheine and other domestic registered issuance) > 1 year, irrespective of issuer jurisdiction and governing law

(4) Regulatory capital under fully loaded rules; includes AT1 and T2 capital issued out of subsidiaries to third parties which is eligible until YE 2021 according to the FSB term sheet. Includes €1bn of adjustments reflecting TLAC eligible capital instruments that do not qualify as fully loaded regulatory capital; add-back of regulatory maturity haircut for T2 instruments with a maturity >1 year, G-SIB TLAC holding deduction



Rating methodologies reflect new resolution regime and therefore require more differentiation

	MOODY'S	STANDARD & POOR'S	FitchRatings	
Counterparty obligations (e.g. Deposits / Derivatives / Swaps)	A3 (cr) ⁽¹⁾	A ⁽²⁾	A ⁽³⁾	Reflecting their position in the resolution hierarchy, the deposit and counterparty ratings are the relevant rating for >95% of Deutsche Bank's clients
Long-term preferred senior unsecured ⁽⁴⁾	A3	A-	A-	Deutsche Bank's long-term senior unsubordinated unsecured debt ratings are in the A range
Non-preferred senior unsecured	Baa2	BBB-	BBB+	
Short-term	P-2	A-2	F2	

Note: Ratings as of 2 February 2018

- (1) Moody's Counterparty Risk Assessments are opinions on the likelihood of default by an issuer on certain senior operating obligations, including payment obligations associated with derivatives, guarantees and letters of credit. They are not explicit ratings as they do not take account of the expected severity of loss in the event of default
- (2) The Issuer Credit Rating (ICR) is S&P's view on an obligor's overall creditworthiness. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. S&P has not yet rolled out its Resolution Counterparty Ratings (RCR) yet. For European banks they expect the RCR to be initially assigned one notch above the ICR
- (3) A- assigned as long-term deposit rating, A-(dcr) for derivatives with third-party counterparties
- (4) Defined as senior-senior unsecured bank rating at Moody's, senior preferred debt at Fitch, senior unsecured at S&P



Rating Agencies have adjusted their methodologies to reflect bail-in risk of senior instruments

Moody's S&P

Operating company / Preferred senior⁽¹⁾

Holding company / Non-preferred senior⁽²⁾

Rating scale			EU peers				Swiss peers		US peers				
Short-term	Long-term		BAR	BNP	HSBC	SOC	CS	UBS	BoA	Citi	GS	JPM	MS
P/A-1	Aa2/AA												
P/A-1	Aa3/AA-												
P/A-1	A1/A+												
P/A-1	A2/A												
P/A-2	A3/A-												
P/A-2	Baa1/BBB+												
P/A-2	Baa2/BBB												
P/A-3	Baa3/BBB-												

Note: Data from company information / rating agencies, as of 2 February 2018. Outcome of short-term ratings may differ given agencies have more than one linkage between long-term and short-term rating

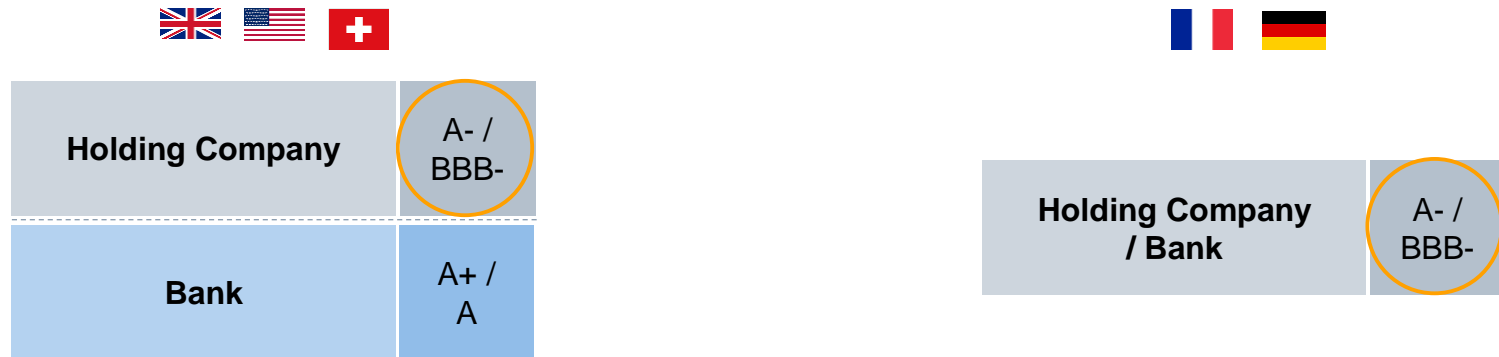
(1) Senior unsecured instruments that are either issued out of the Operating Company (US, UK and Swiss banks) or statutorily rank pari passu with other senior bank claims like deposits or money market instruments (e.g. senior-senior unsecured debt classification from Moody's; senior unsecured from S&P)

(2) Senior unsecured instruments that are either issued out of the Holding Company (US, UK and Swiss banks) or statutorily rank junior to other senior claims against the bank like deposits or money market instruments (e.g. new rating category in France: Senior non-preferred bonds from S&P)

Structures complicate credit rating and CDS comparisons



DB ratings are broadly in-line with peers when adjusted for the differences in corporate structure



- Counterparties of UK, US and Swiss banks typically face the bank entity which comes with higher credit ratings
- Benchmark debt is typically issued out of the lower rated non-operating holding company

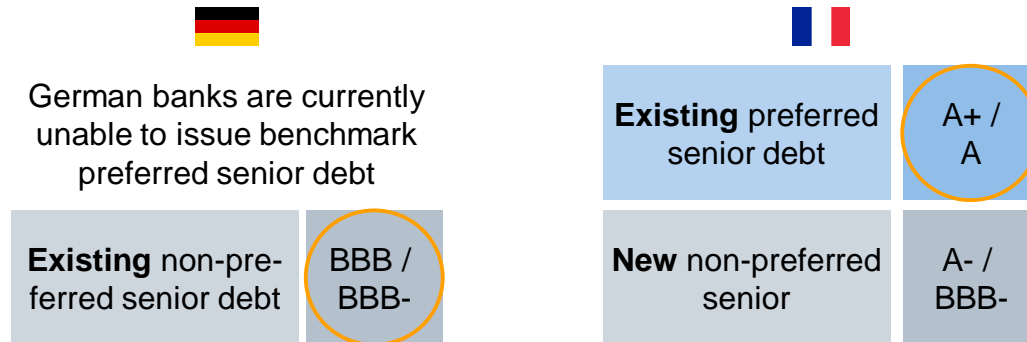
- German (and French) banks operate from a combined operating bank and holding company structure which rating agencies rate on a holding company level
- Counterparties of DB face DB AG, which is both the operating bank and holding company

Note: Reference ratings are taken from the following peer group: MS, GS, C, JPM, BoA, UBS, CS, SOC, BNP, BAR, DB

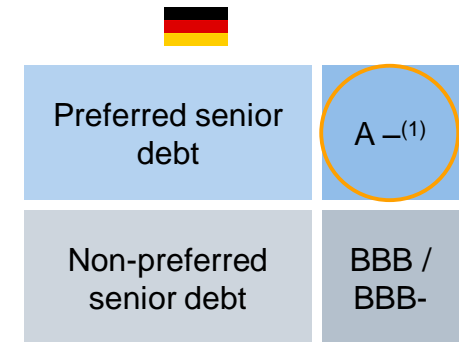


Differences in national bail-in laws mean senior unsecured debt and CDS contracts are not always comparable

Current rules for benchmark senior unsecured issuance



Future German rules (in 2018)



- Under the current German bail-in law, existing senior unsecured debt was grandfathered as lower-rated non-preferred senior. This created greater loss-absorbing capacity for counterparties
- However, German banks do not currently have the ability to issue benchmark preferred senior unsecured debt meaning all benchmark debt issued comes with a lower credit rating
- Under their rules, French banks can issue preferred and non-preferred benchmark senior unsecured debt

- By the end of 2018, the German law should be changed to allow issuance of a new class of higher rated preferred senior debt
- CDS contracts should then be available on both preferred and non-preferred debt instruments

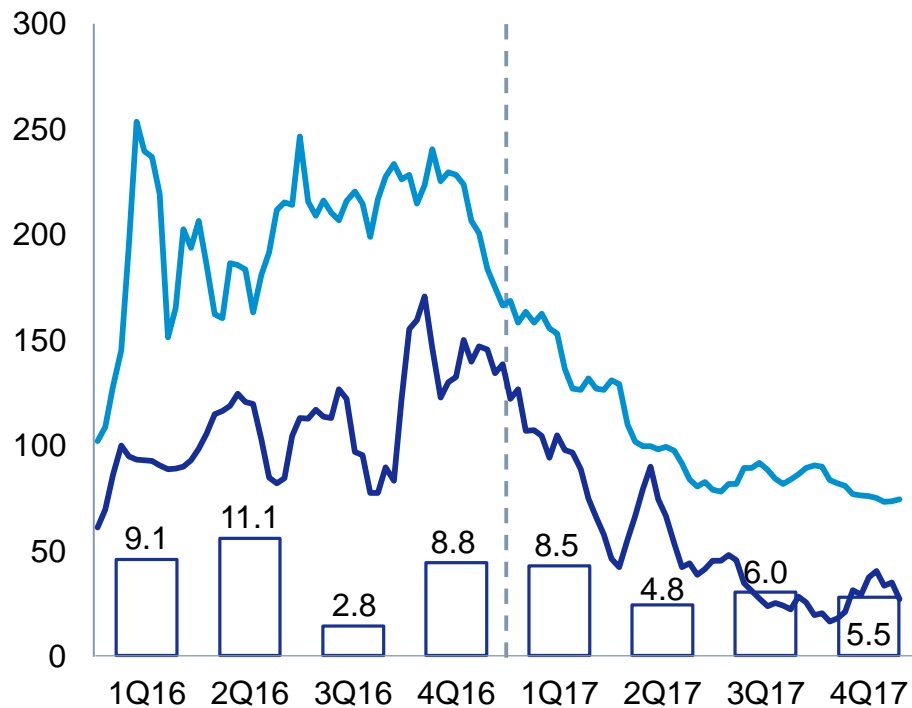
Note: Reference ratings are taken from the following peer group: SOC, BNP, DB
(1) Rating agencies have either already published explicit ratings for DB's future benchmark preferred senior unsecured debt issuances. Defined as senior-senior unsecured bank rating at Moody's, senior preferred debt at Fitch and senior unsecured at S&P



CDS spreads do not reflect Deutsche Bank's risk or funding costs

CDS spreads have had limited correlation with DB's cost of funding or issuance plans

— DB 5yr EUR-CDS in bps — DB average issuance spread, in bps⁽¹⁾
□ DB debt issuance, in € bn



Comments

- Single-name CDS trading volumes are lower than pre-crisis making movements in prices more erratic
- The movement in Deutsche Bank CDS spreads since early 2016 reflects the introduction of the German bail-in law on 1 January 2017
 - Senior unsecured debt (which CDS spreads reference) is legally subordinated to deposits and operational liabilities
 - CDS can no longer be viewed as a proxy for the probability of default for the entire Bank
- As a result of the lower volumes and bail-in law, there has been limited correlation between Deutsche Bank's CDS spreads and the Bank's funding costs
- The recent introduction of holding company level CDS contracts on Swiss and UK banks now allows a direct comparison with DB CDS spreads given the similar position in the capital structure

(1) Based on the 4-week moving average issuance spread vs. 3-month Euribor. AT1 instruments excluded from spread calculation



Cautionary statements

The figures in this presentation are preliminary and unaudited. Our Annual Report 2017 and SEC Form 20-F are scheduled to be published on 16 March 2018.

This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 20 March 2017 under the heading “Risk Factors.” Copies of this document are readily available upon request or can be downloaded from www.db.com/ir.

This presentation also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation is not provided in this presentation, refer to the Q4 2017 Financial Data Supplement, which is accompanying this presentation and available at www.db.com/ir.