Deutsche Bank: Capital, liquidity and funding

Autonomous German Credit Mini Conference, London

Alexander von zur Mühlen, Group Treasurer

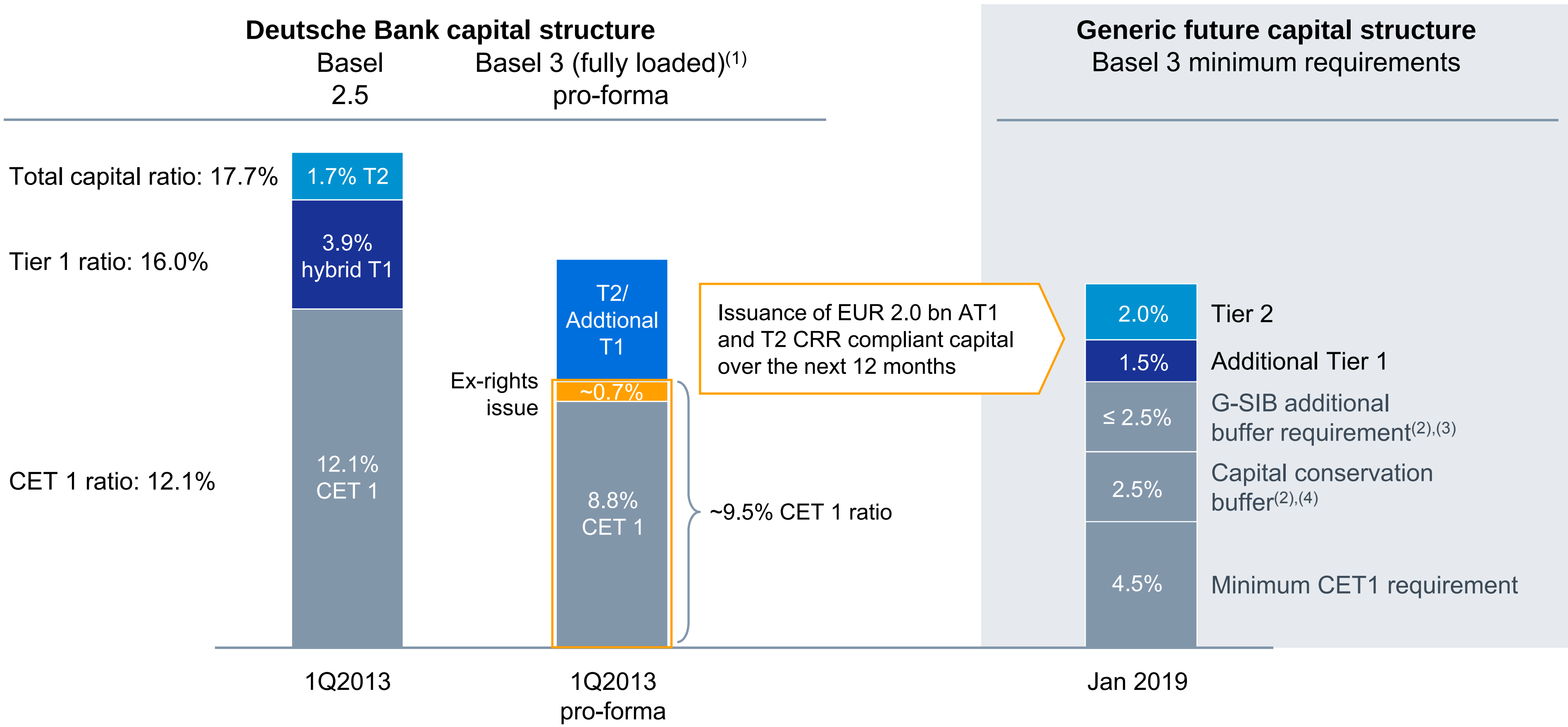
Passion to Perform

3 July 2013

Capital is central to deliver on DB's Strategy 2015+

1	**Clients**	Focused portfolio of clients and regions based on our ability to generate value
2	**Competencies**	Businesses built on the best people, best processes and world-class products
3	**Capital**	Strong capital base and rigorous risk-adjusted capital allocation
4	**Costs**	Disciplined cost management and consistent productivity gains
5	**Culture**	Culture that sustainably rewards performance in line with societal values

Comprehensively strengthening capital

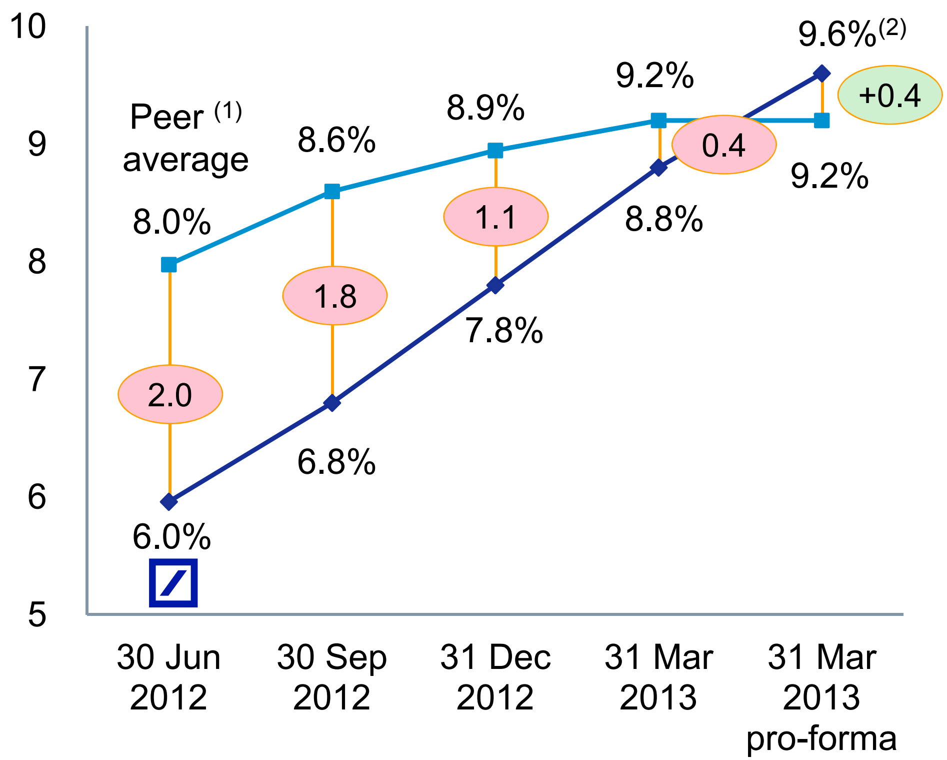


Note: Countercyclical buffer not considered
(1) Hybrid Tier 1 and Tier 2 as per applicable phase-in rules
(2) Pro-rata phased-in between 1 January 2016 and year-end 2018, becoming fully effective on 1 January 2019
(3) Global systemically important banks buffer: Actual amount not yet fixed, actual level depends on regulators' judgment of global systemic importance at the time; based on preliminary judgment buffer varies between 1% and 2.5%, further bucket with 3.5% buffer currently not populated
(4) Should be held outside periods of stress; can be drawn down in periods of stress if discretionary distributions of earnings are reduced

Deutsche Bank's capitalization in peer context

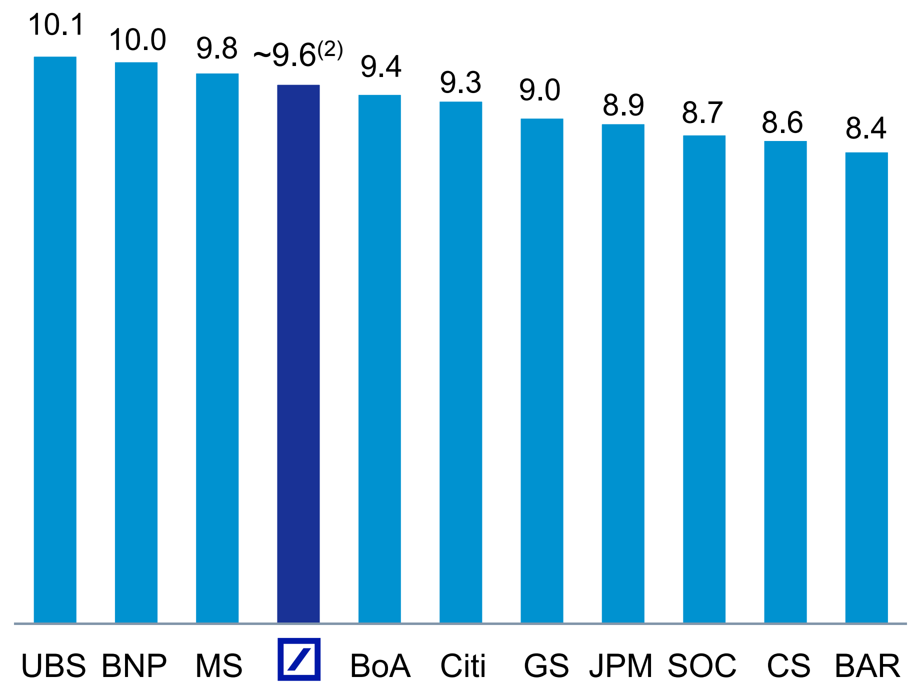
B3 CET 1 ratio development

Pro-forma B3 CT1 ratio (fully loaded), in %



B3 CET 1 ratio in peer context

31 March 2013, in%(2)



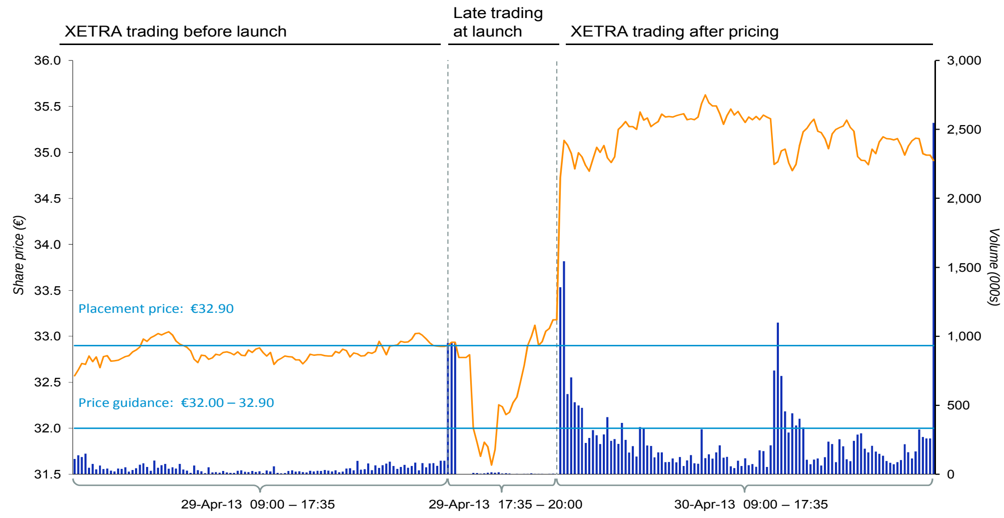
(1) BoA, Citi, JPM, GS, MS, CS, UBS, BAR, SocGen, BNP
(2) Including net impact of ex-rights issue of EUR 2.9 bn
Source: Company data

Realisation of €3.0bn capital increase via "ex-rights" issuance

Transaction highlights

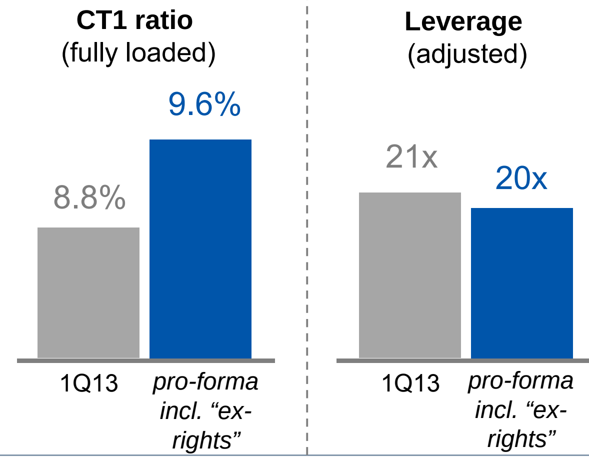
- Ex-rights issue of 90m shares via accelerated bookbuilding
- €32.90 placement price determined prior to market opening representing 0% discount to previous close
- No comparable[1] successful pricing observable from European 'ex-rights' capital increases for the last 24 months
- Following the capital increase DB's share price jumped upon market opening on 30 April, reaching an intraday high of €35.70 and closing 6.1% up at €34.91
- High trading volume of 27.6m shares (Xetra) on 30 April compared to an average volume of 7m[2]
- Gross proceeds of €2,961m resulting in 1Q13 pro-forma fully loaded CT1 ratio increase from 8.8% to 9.6%
- The avoidance of any pricing discount contributed approx. €175m to CT1 capital (~4bp of CT1 ratio)
- Simulated EpS shows dilution of 9% from additional shares; nonetheless market cap increase of ~€5bn shows re-rating of DB shares
- Endorsement from markets with DB upgraded by six equity analysts
- Positive feedback from all rating agencies

Share price reaction



Source: Bloomberg

Impact 1Q13 on key capital ratios



(1) European 'ex-rights' transactions exceeding €500m

(2) over period of 1 year

Integrated framework to liquidity and funding

	Operational	Tactical	Strategic
Objectives	**Daily – ongoing** – Safeguard liquidity position (intraday / end of day) – Collateral / access to central bank	**1 day – 1 year** – Access to wholesale funding (secured and unsecured) – Access to liquid assets on B/S (going concern and stress)	**1 year – 10 year** – Balanced term liquidity profile – Access to capital markets – Funding diversification – Support DB's credit curve

Approaches

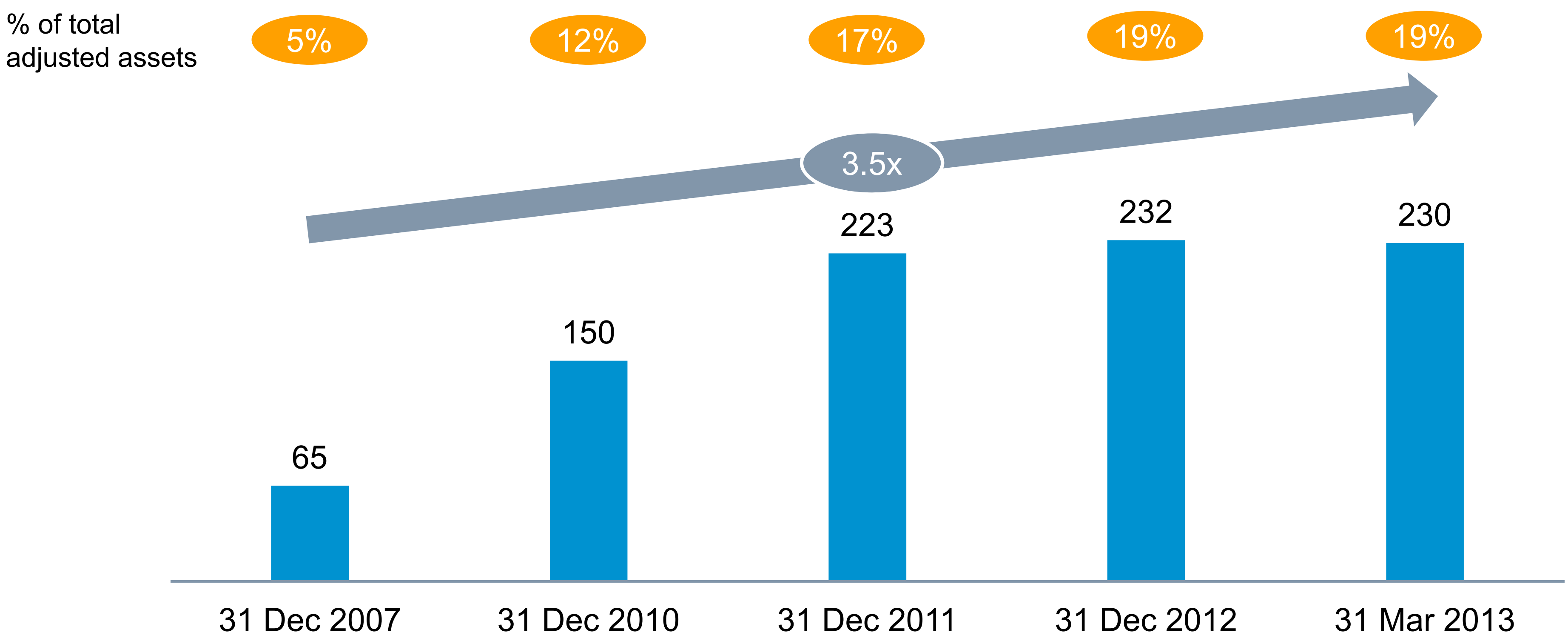
- Intraday / End-of-Day
- Stress Testing Liquidity Reserves (LCR)
- Wholesale Funding Maximum Cash Outflow
- Limit Setting
- Liquidity Overview
- Liquidity Planning
- Transfer Pricing
- Funding Matrix (NSFR)
- Issuance Plan / Funding Strategy

Safeguard our ability to meet all payment obligations when they come due

Overview of liquidity reserves(1)

Development through the crisis

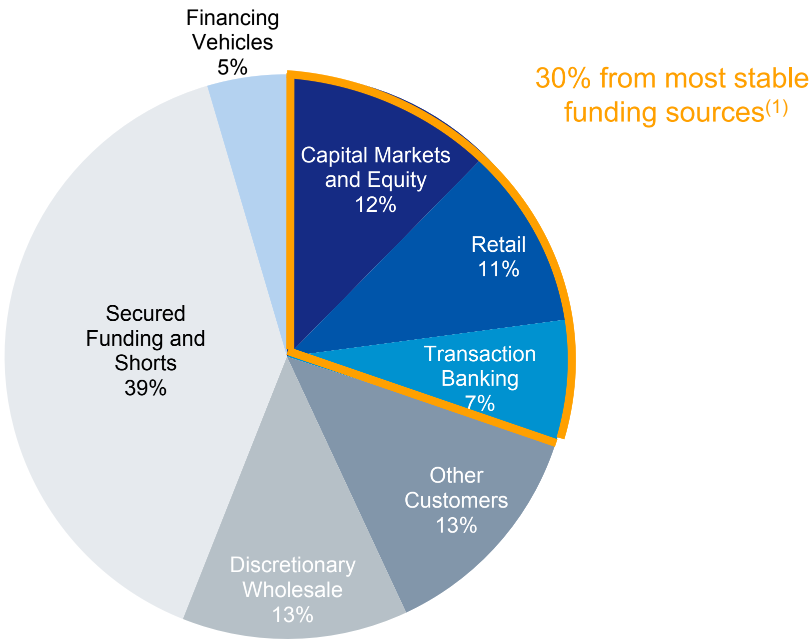
In EUR bn



(1) The bank's liquidity reserves include (a) available excess cash held primarily at central banks, (b) unencumbered central bank eligible business inventory, as well as (c) the strategic liquidity reserve of highly liquid government securities and other central bank eligible assets. Position before Dec 2012 excludes

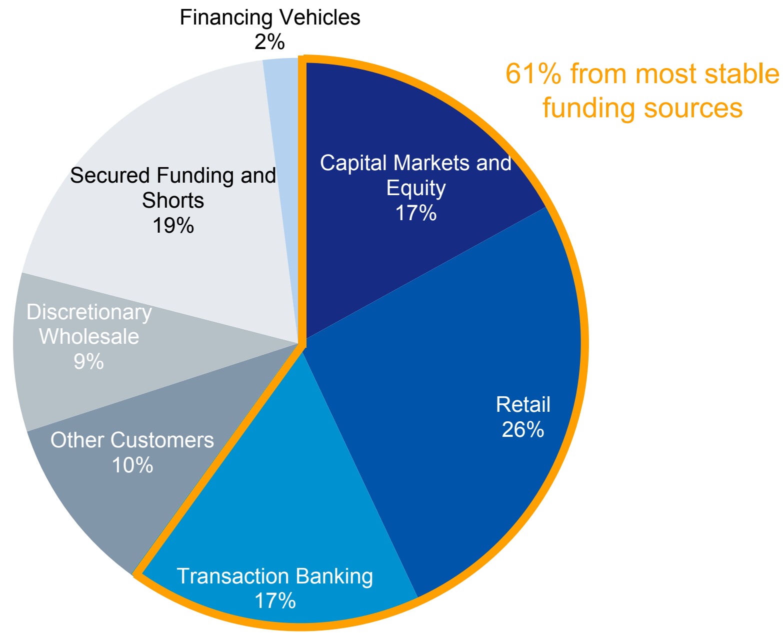
Funding Profile

31 December 2007



Total: EUR 1,206 bn

31 March 2013



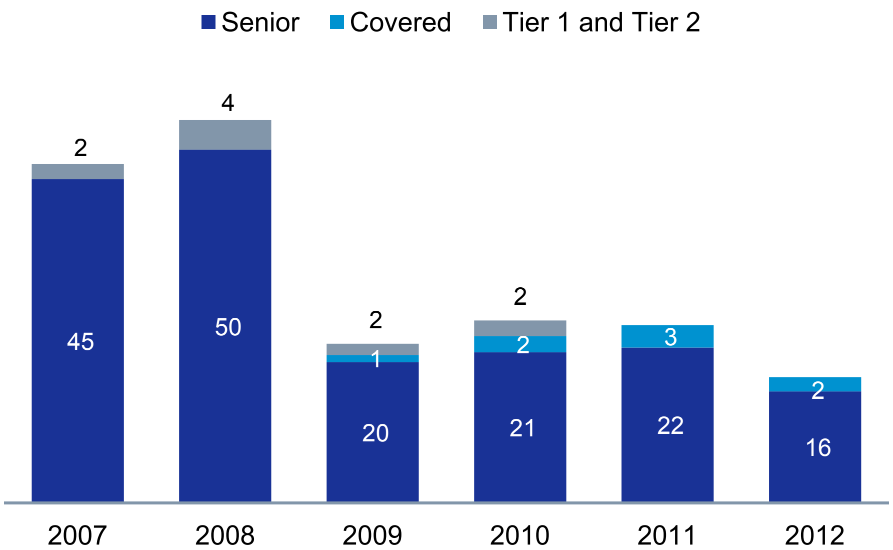
Total: EUR 1,107 bn

(1) Dec 2007 has been rebased to ensure consistency with 31 March 2013 presentation and includes Postbank

Issuance strategy
Cost-effective funding a competitive advantage

Historical funding activities

In EUR bn



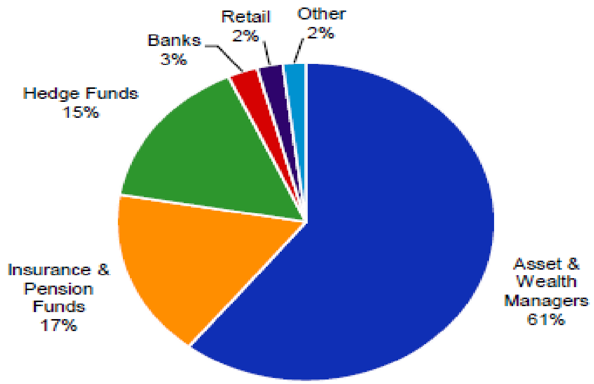
- Consistent access to capital markets during challenging market conditions
- Funding demand stable/declining since 2009
- Figures include Postbank issuance for 2010 onwards

2013 funding activities

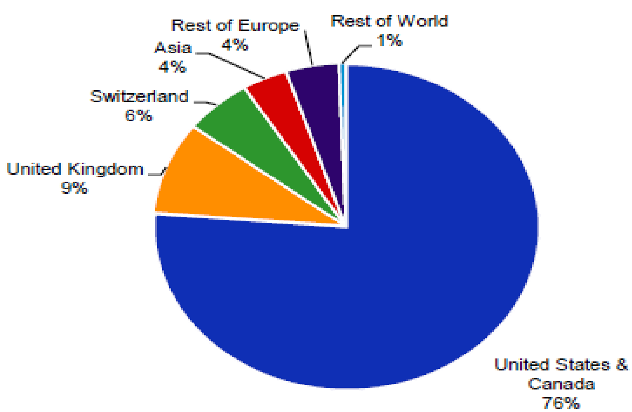
- 2013 Issuance Plan of EUR 18bn
- Total issuance YTD EUR 12.2bn at avg. spread of L+44 and avg. tenor of 4.7 years
- 65% via retail networks and private placement, complemented by EUR 1.25bn 2 year and EUR 1.75bn 10 year benchmarks
- Funding spreads remain largely unchanged since beginning of year despite ongoing Eurozone crisis
- LT2 issuance USD 1.5bn, callable in year 10
  - DB opens new market segment; first ever benchmark callable Tier 2 issue in US market
  - Total order book of USD 5bn, primarily US asset managers
  - Timing: most attractive issuance point in >2 years; final pricing of $L+225; currently $L+272
  - DB‘s first capital issue structured to comply with CRD IV / CRR

Case Study: USD 1.5 bn 4.296% 15NC10 Lower Tier 2

Investor type distribution*



Geographical distribution*



* Based on Allocations

Issue Details

Launch / pricing date:	21 May 2013
Maturity Date:	15NC10 (May 2028/May 2023)
Form of Debt:	Subordinated Tier 2, pari passu with existing lower Tier 2 instruments
Coupon:	4.296% (Non deferrable, fixed to fixed, one time reset at the call date)
Volume:	USD 1.5bn
Launch Spread (reoffer):	Treasuries + 237.5bps , resetting to ms +224.75 if not called
Sole Bookrunner:	Deutsche Bank
Format:	SEC registered, NYSE listed
Instrument Rating:	Baa3/BBB+/A-

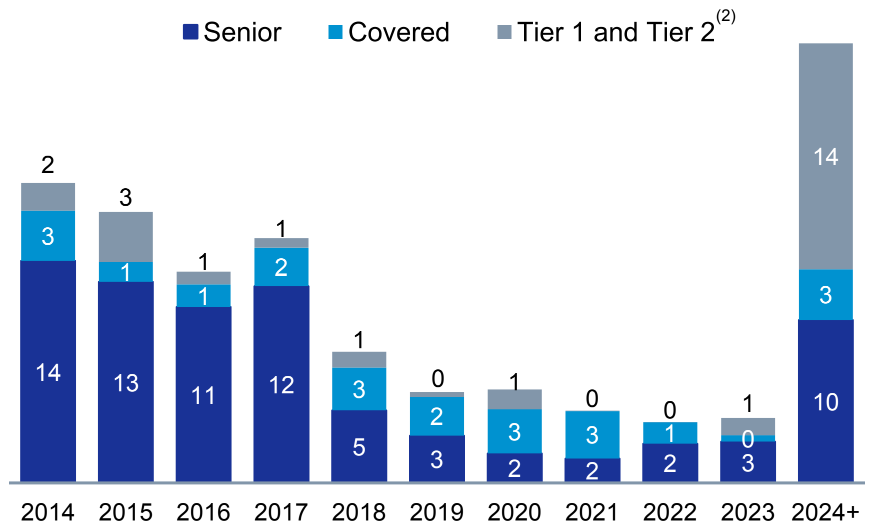
Deal Highlights

- At the time of its recent EUR 3bn equity raise, Deutsche Bank also announced an intention to raise a further €2bn of AT1 and Tier 2 CRR compliant capital over the following 12 months, with the aim of moving towards a fully CRD4/CRR compliant capital structure. With Tier 1 rules still being finalised and CRD4 virtually complete, a Tier 2 was the logical first step in that process
- With the Yankee market chosen based upon cost, the description of the notes in the prospectus contained a reference to statutory bail-in (as foreseen in the current draft of RRD) as well as Risk Factors relating to the potential for Bail-in under the RRD
- A comprehensive roadshow in London and the US was undertaken to explain the structure, recent equity raise and to explore a 15 non call 10 structure which would be more capital efficient than the standard 10 year bullet and would also be the first benchmark 15nc10 Tier 2 ever issued in the Yankee market. The structure included a one time call in year 10 which if not exercised would see the coupon reset to a new fixed rate based upon the prevailing 5yr USD mid-swap rate plus the original credit spread
- On the back of extensive price discovery process we announced a benchmark-sized ($1bn) transaction in the New York open with IPT of T +262.5, capturing a majority of the interest. Books grew steadily, reaching over $4bn within 3 hours allowing for Official Guidance of T +237.5-250 before continuing to gather pace, reaching $5bn by the close
- Given the size and quality of the book the decision was taken to upsize to $1.5bn and price at the tight end of the range, representing a 25-37.5bp premium over an assumed straight 10yr bullet at T +200-212.5. c10% of the orderbook displayed sensitivity and dropped as a result – leaving a final book size of $4.4bn
- A very broad distribution was achieved with over 225 investors participating. Fund managers took 61%, Insurance and pension funds 17%; followed by hedge funds at 15%. In terms of geographical distribution, the US dominated with 76% of the allocations, followed by UK (9%), Switzerland (6%) and Asia (4%)
- Highlighting the success of the transaction, it was quoted 8-10bps tighter in the grey market

Balanced Liquidity Profile

Capital markets maturity profile[1]

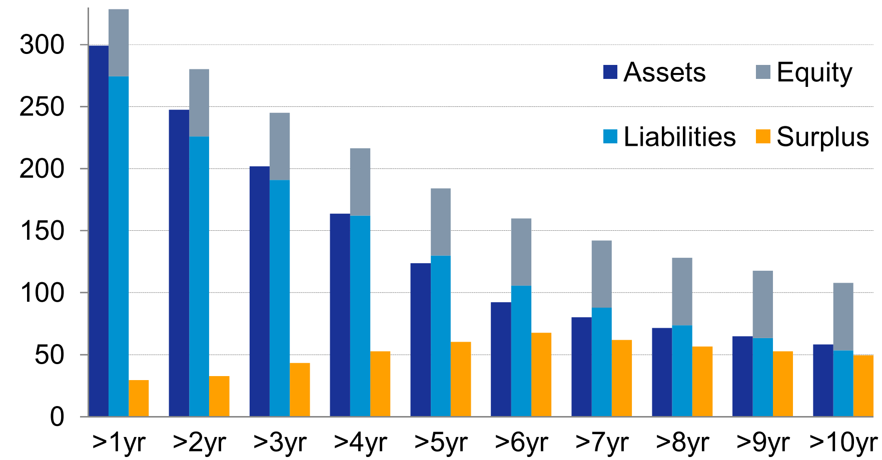
31 March 13 (in EUR bn)



- Well laddered maturity profile
- No more than EUR 20bn maturing in any bucket for upcoming years
- Maturities in future years allow management of liquidity requirements in light of NCOU derisking
- EUR 14bn of Tier 1 and Tier 2 inflate 2024+ bucket; call decisions may partially accelerate maturities

Liquidity Profile

31 March 13 (in EUR bn)



- Net term liquidity surplus in excess of EUR 20bn in all buckets
- Reflects all assets and liabilities across the maturity profile, either on a modelled or contractual basis depending on underlying liquidity characteristics

(1) Includes Postbank
(2) Tier 1 and Tier 2 maturities as per contractual maturity date

Additional Information

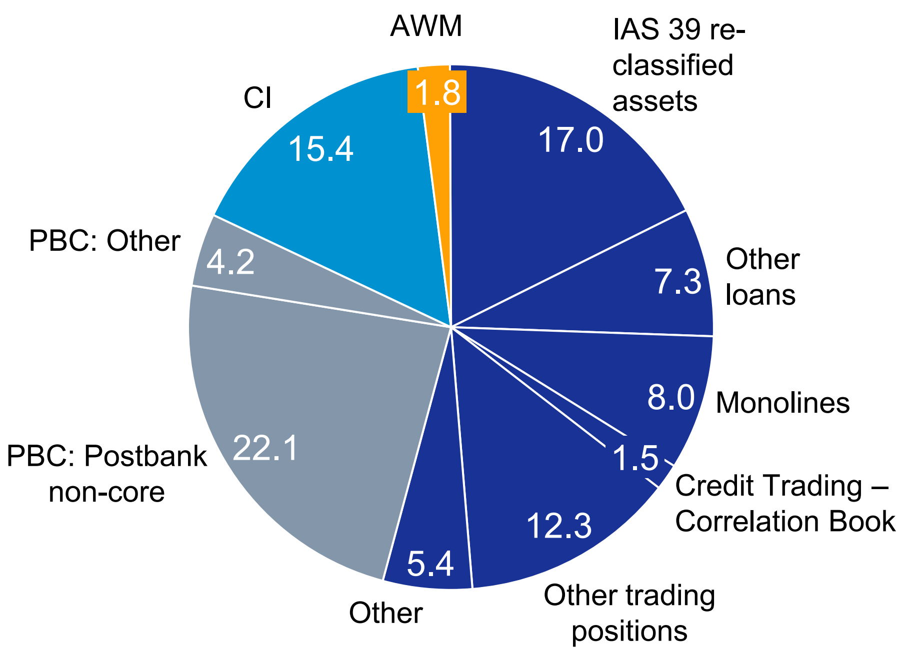
Passion to Perform

3 July 2013

NCOU: Total adjusted assets[1]

31 Dec 2012

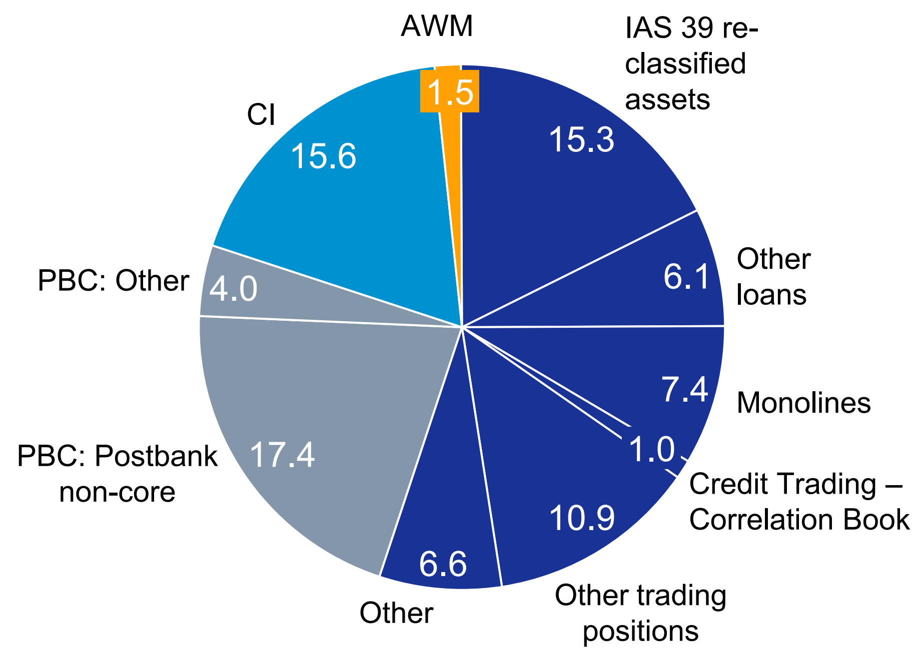
In EUR bn



EUR 95 bn

31 Mar 2013

In EUR bn



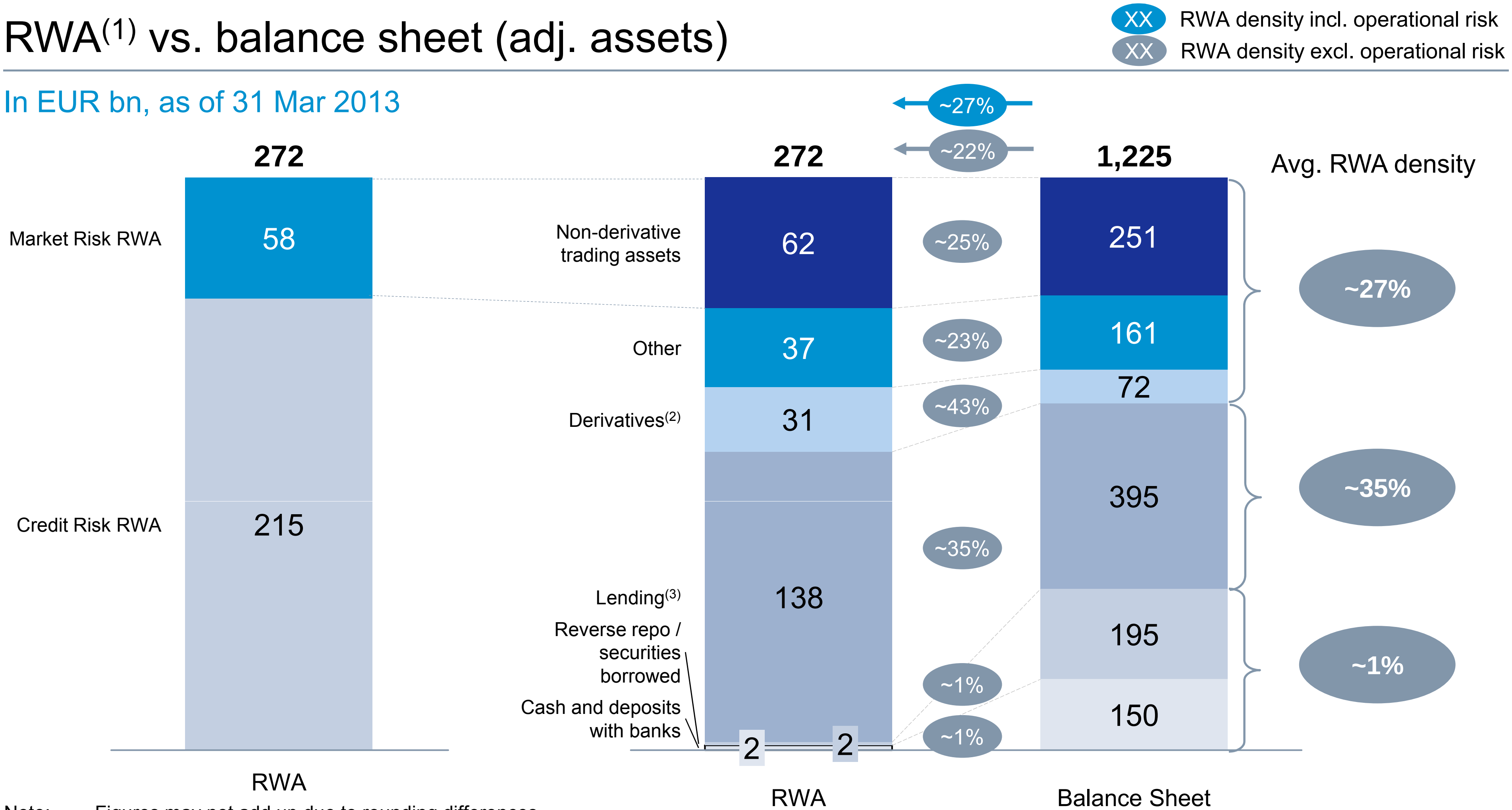
EUR 86 bn

(1) Total assets according to IFRS adjusted for netting of derivatives and certain other components

Balance sheet and risk weighted assets

RWA[1] vs. balance sheet (adj. assets)

In EUR bn, as of 31 Mar 2013



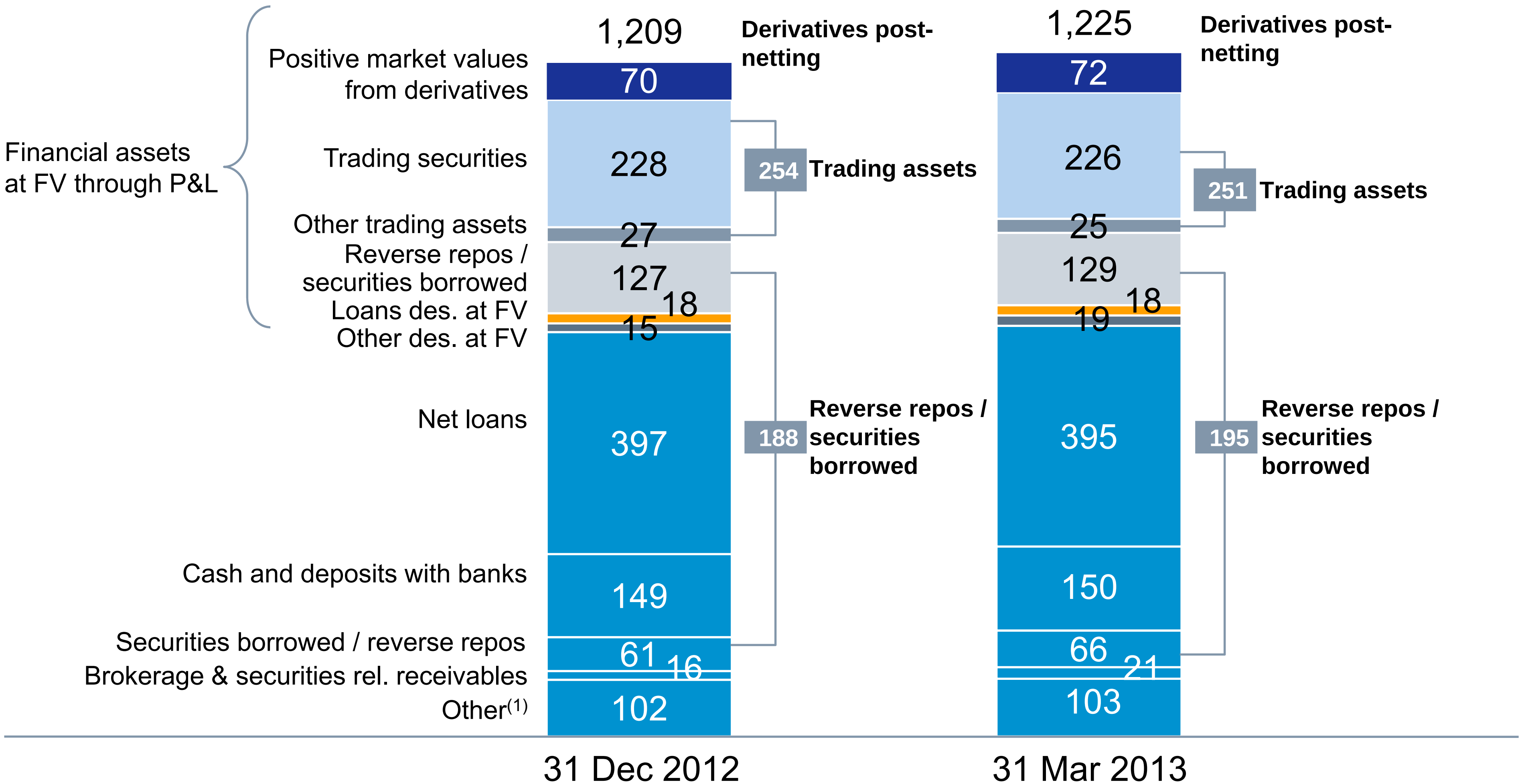
Note: Figures may not add up due to rounding differences

(1) RWA excludes Operational Risk RWA of EUR 53 bn

(2) Excludes any related Market Risk RWA which has been fully allocated to non-derivatives trading assets

(3) RWA includes EUR 32 bn RWA for lending commitments and contingent liabilities

Total assets (adjusted)
In EUR bn



Note: Figures may not add up due to rounding differences
(1) Incl. financial assets AfS, equity method investments, property and equipment, goodwill and other intangible assets, income tax assets and other

Cautionary statements

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 15 April 2013 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 1Q2013 Financial Data Supplement, which is accompanying this presentation and available at www.db.com/ir.