Deutsche Bank – Client & Creditor Presentation

September 2019

(including financials as of 30 June 2019)
A German bank with a global network

- Deutsche Bank is present in 59 countries (1)
- Largest bank in Germany with approx. 20m clients (1)
- 2,064 branches worldwide, of which 1,409 in Germany (1)
- Managing over €1tn of wealth for clients (2)

Note: Throughout the presentation figures may not add up due to rounding differences
(1) Source: 2018 Annual Report
(2) Includes DWS, PCB and Wealth Management, source: Q2 2019 analyst presentation
Executing on our restructuring

**Transformation progress**
- Tail risks reduced by balance sheet de-risking and resolving majority of litigation cases
- 4 core, market-leading businesses with attractive growth and return profiles
- Capital Release Unit will exit loss making, non-core assets and businesses
- Ongoing commitment to spend significant amounts on IT and controls

**Balance sheet and fundamental strength**
- Transformation will create a materially smaller and less market sensitive bank
- Existing balance sheet strength allows transformation using existing resources:
  - Capital and liquidity ratios well above regulatory requirements and compare favorably to peers
  - Low risk levels reflecting conservative business model and strong risk management

**Creditor / Counterparty considerations**
- €120bn of total loss-absorbing capacity and the German bail-in law provide protection for depositors and counterparties of the Bank
- New CDS trades more in-line with peers and is a better hedge of potential counterparty risk
- Rating agencies see execution of the transformation as rating positive
Agenda

1 Transformation progress

2 Balance sheet and fundamental strength

3 Creditor / counterparty considerations
Our decisive actions

- **Exit businesses**
  - Exit Equities Sales & Trading, resize Fixed Income, in particular Rates, and accelerate the wind-down of non-strategic assets
  - Cut associated RWA by approximately 40%\(^1\)

- **Create four client-centric divisions**
  - Focus on market leading businesses with attractive growth and return profiles
  - Put the Corporate Bank at the heart of our business

- **Cut costs**
  - Overhaul our front-to-back processes and infrastructure leading to significant cost and workforce reductions
  - Reduce adjusted costs\(^2\) by €6bn by 2022

- **Invest in technology & growth**
  - Invest in our leading businesses, further improve our technology and control framework
  - Invest €13bn in technology by 2022

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\(^1\) Excludes operational risk RWA associated with Fixed Income

\(^2\) Adjusted costs defined as total noninterest expenses excluding the impairment of goodwill and other intangibles, litigation expenses and restructuring and severance
Capital release unit allows us to quickly refocus on core businesses

**Leverage exposure (in € bn)**

- **Equities** (Cash, Derivatives, Prime Finance)
  - 2018: 288
  - Q2 2019: 250
  - 2019 target: <120
  - 2020 target: <20

- **Fixed Income** (legacy assets, securitized bonds)
  - 2018: 79
  - Q2 2019: <120
  - 2019 target: <20

- **Other**
  - 2018: 40
  - Q2 2019: 250
  - 2019 target: <120
  - 2020 target: <20

**Key benefits**

- Reduces size & complexity of Deutsche Bank’s balance sheet
- Exit from unprofitable businesses and inefficiently used assets
- Lifts and further strengthens leverage ratio
- Greater focus of resources being deployed in core businesses

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(1) Includes € 25bn of the non-strategic portfolio (created to facilitate the run-down of residual assets from the Non-Core Operations Unit and other inventory that was not consistent with the Investment Bank strategy)
Four client-centric core businesses

**Private Bank**
Leading retail bank in Germany and focused in Europe. Global wealth manager

- Leader in 4th largest economy globally
- Trusted advisor to loyal clients
- A leader in digital banking

**Asset Management**
Market leader in Germany with a global presence and a broad product offering

- Leverage domestic leadership to expand internationally
- Diversified products with consistent performance
- Suitable client solutions based on innovation and investment excellence

**Corporate Bank**
One of the leading corporate banks globally

- Leading global platform with long-lasting client relationships
- Our transaction banking services, financing and lending, and risk management products are key to our clients’ every day success

**Investment Bank**
A focused financing, advisory and capital markets bank

- Globally competitive in our core markets
- Leading financing business
- Global fixed income offering
- Trusted advisor providing advice on M&A and debt issuance
More than 70% of stable and predictable revenues

Our Investment Bank will be smaller…

- Market sensitive: 56%
- More controllable: 44%

2018 Pro-forma Core Bank revenues:
- Investment Bank excl. O&A: 20%
- Origination & Advisory: 10%
- Corporate Bank: 23%
- Asset Management: 10%
- Private Bank: 38%

…and highly competitive

- Investment Bank market position:
  - Other: 24%
  - 3-5 position: 34%
  - Top 3 position: 42%

~75% of Investment Bank revenues are market leading

Source:
(1) 2007 includes Corporate Banking & Securities as market sensitive / Asset and Wealth Management, Private & Business Clients as more controllable revenues (Corporate Investments and Consolidation & Adjustments not taken into account)
(2) 2018 pro-forma Core Bank revenues excluding Capital Release Unit. Corporate & Other revenues of € (73)m included in the totals but not shown on the chart
(3) Source: 2018 Coalition data
Continue to invest in IT and Controls

2019-2022 cumulative IT & Controls spend (in € bn)

IT: 13
Controls: 4

IT & Controls spend as % of adjusted costs

<table>
<thead>
<tr>
<th>Year</th>
<th>IT</th>
<th>Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>17%</td>
<td>4%</td>
</tr>
<tr>
<td>2022</td>
<td>17%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Select innovation highlights
## Our long-term financial targets

<table>
<thead>
<tr>
<th>Metric</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Tangible Equity</td>
<td>8% for Group</td>
</tr>
<tr>
<td>Adjusted Costs</td>
<td>€ 17bn</td>
</tr>
<tr>
<td>Cost Income Ratio</td>
<td>70%</td>
</tr>
<tr>
<td>CET1 Ratio</td>
<td>At least 12.5%</td>
</tr>
<tr>
<td>Leverage Ratio (fully-loaded)</td>
<td>~5%</td>
</tr>
</tbody>
</table>
Agenda

1. Transformation progress
2. Balance sheet and fundamental strength
3. Creditor / counterparty considerations
Balance sheet strength allows transformation using existing resources

<table>
<thead>
<tr>
<th></th>
<th>2007 pre-crisis</th>
<th>Q2 2019</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET1 ratio(^{(1)})</td>
<td>8.6(^{(2)})</td>
<td>13.4%</td>
<td>&gt;12.5%</td>
</tr>
<tr>
<td>Total assets (IFRS)</td>
<td>€ 2,020 bn</td>
<td>€ 1,304 bn</td>
<td></td>
</tr>
<tr>
<td>Liquidity reserves</td>
<td>€ 65 bn</td>
<td>€ 246 bn</td>
<td>&gt;€ 200 bn</td>
</tr>
<tr>
<td>Average Value-at-Risk</td>
<td>€ 86 m</td>
<td>€ 28 m</td>
<td></td>
</tr>
<tr>
<td>Most stable funding(^{(3)})</td>
<td>30%</td>
<td>78%</td>
<td>85-90%</td>
</tr>
</tbody>
</table>

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\(^{(1)}\) Fully-loaded

\(^{(2)}\) 2007 ratio includes hybrid instruments as the definition of CET1 ratio did not exist under the previous Basel regime

\(^{(3)}\) Most stable funding as a proportion of the total external funding profile. Most stable funding is defined as funds from Capital Markets & Equity, Retail, Transaction Banking and Wealth Management deposits
Solid capital metrics, well above requirements and peers
CET1 ratio in %, Q2 2019

- Q2 2019 CET1 ratio is €5.5bn above requirement of 11.8%
- Commitment to keep CET1 ratio above 12.5% at all times allows transformation with existing resources
- Expectation that regulatory CET1 ratio requirement will reduce based on announced deleveraging activities

(1) Set on an annual basis by the ECB based on the Supervisory Review and Evaluation process (SREP)
Strong liquidity metrics

Deutsche Bank’s liquidity reserves (in € bn)

- Q4 2016: 219 € bn
- Q2 2019: 246 € bn
- Long-term: >200 € bn

Q2 2019 Liquidity Coverage Ratio (LCR, in %)

- 193%
- 156%
- 154%
- 147%
- 145%
- 136%
- 134%
- 133%
- 120%
- 115%
- 115%
- 113%

- ~25% of funded balance sheet in cash and highly liquid securities
- Liquidity coverage ratio of 147% is € 66bn above 100% requirement and above most peers
- Plan assumes liquidity reserves remain at 25% of funded balance sheet
Conservative market and credit risk management
Q2 2019

Value at Risk (in € m)\(^{(1)}\)

- Value at Risk measures the potential loss of Fair Value positions due to market movements that should not be exceeded with a defined likelihood during a period of time.
- Reduced Value at Risk by 2/3 since 2007, at the lower end peers.

Credit Loss Provisions (CLP)\(^{(2)}\)

- Strong track record in managing credit risk evidenced by low credit loss provisions as a % of loans.
- Historically good quality of credit portfolios proved resilience through the cycle, specifically versus US peers.
- Macro outlook likely to lead to normalization of CLP (Deutsche Bank 10 year average ~20bps).

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\(^{(1)}\) Applying a 99% confidence level and a one day holding period.
\(^{(2)}\) Annualized, in bps vs gross loans.
A low risk, well diversified loan portfolio

Increasing portion of balance sheet deployed via loans

Well diversified loan portfolio with high underwriting standards\(^{(1)}\)

- Loan growth to continue following transformation strategy
- Conservative loan to deposit ratio\(^{(4)}\) of around 70\% to increase to ~80\% to support further business growth

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\(^{(1)}\) €419bn IFRS loans at amortized cost, gross of allowances, 30 June 2019
\(^{(2)}\) CIB Other comprises Leveraged Debt Capital Markets, Asset backed securities, Commercial Real Estate Group, CIB relationship loans, FIC (excl. ABS & CRE) and Equities (Collateralized financing)
\(^{(3)}\) PCB Other includes Business Finance, Consumer Finance, International mortgages, Postbank recourse CRE business, financial securities, FX-mortgage portfolio in Poland and Postbank non-recourse CRE business
\(^{(4)}\) Defined as gross accrual loans versus total deposits
Economic risk from derivatives exposure significantly smaller than headline number

EU accounting standards inflate disclosed derivative assets (€ bn, Q2 2019)

Net derivative assets are a function of market share (€ bn, Q2 2019)

- Unlike US GAAP, IFRS accounting does not allow for all Master Netting Agreements\(^{(2)}\) to reduce derivative assets shown on the balance sheet
- On a US GAAP equivalent basis, derivative assets represent less than 2% of total assets
- Derivative assets consistent with global Investment Banking market share

(1) Source: Coalition Global Investment Bank League Table FY2018
(2) Master Netting Agreements allow counterparties with multiple derivative contracts to settle through a single payment
Level 3 assets – a small but natural part of our business
€ bn, Q2 2019

Level 3 assets are a very small part of Deutsche Bank’s assets

Level 3 asset composition

- Equity securities
- Mortgage backed securities
- Debt securities
- Other
- Loans
- Derivative Assets

1.7% of total assets

Total assets

1,436
24

Level 3 classification is an accounting indicator of valuation uncertainty due to lack of observability of at least one valuation parameter

- Variety of mitigants to valuation uncertainty (e.g. exchange of collateral, prudent valuation capital deductions, hedging of uncertain input)

- A significant portion of the portfolio is turning over on a regular basis

- ~30% of the Level 3 assets portfolio will form part of the Capital Release Unit
A smaller, simpler, less market-sensitive balance sheet

Funded balance sheet\(^{(1)}\) in € bn, unless otherwise stated

(1) Funded balance sheet is defined as IFRS balance sheet adjusted to reflect the funding required after recognizing legal netting agreements, cash collateral received and paid and offsetting pending settlement balances

(2) Trading Assets defined as mark-to-market Derivatives, Non-Derivatives Trading Assets, Cash Margin Receivables, Prime Brokerage Receivables, Reverse Repos
Agenda

1. Transformation progress
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3. Creditor / counterparty considerations
Depositors and counterparties are protected by €120bn loss-absorbing capacity (1)

Loss absorbing capacity as a % of RWA (Q2 2019)

- Deposits ≤ €100k / short-term liabilities (2)
- Deposits > €100k of natural persons / SMEs
- Other deposits (3), operating liabilities, new senior preferred notes and other (4)
- Plain-vanilla senior non-preferred notes and other (5)
- AT1 / Tier 2 / Adjustments
- CET1

(1) Total loss-absorbing capacity (TLAC) is the amount of equity and bail-in debt available to absorb losses in order to protect counterparties and depositors
(2) Insured deposits and deposits by credit institutions and investment firms with original maturity <7 days are excluded from bail-in
(3) Deposits >€100k of large caps, all remaining deposits of financial institutions and the public sector
(4) Other includes structured notes money market instruments and LOC’s
(5) Other includes Schuldscheine >1 year (unless qualified as preferred deposits)
Senior preferred CDS reduces cost of doing business with Deutsche Bank by around 100 basis points

Senior preferred CDS more in-line with peers

- In 2017, the introduction of the German bail-in law led to senior non-preferred instruments (reference to CDS instruments) becoming part of loss-absorbing capacity
- The CDS therefore overstated counterparty risk
- In May 2019 a new CDS framework for German banks was introduced, including senior preferred CDS contracts
- The preferred CDS reflects the actual risk faced by clients and counterparties
- It reduces cost of doing business with Deutsche Bank as well as hedging exposure exclusively at the senior preferred level

(1) Peers include UBS, BNP, Société Générale, HSBC, JP Morgan, Bank of America, Credit Suisse, Citi, Morgan Stanley, Barclays and Goldman Sachs
## Current Ratings

<table>
<thead>
<tr>
<th>Counterparty obligations (e.g. Deposits / Structured Notes / Derivatives / Swaps / Trade Finance obligations/ LOC’s)</th>
<th>Moody’s Investors Services</th>
<th>S&amp;P Global Ratings</th>
<th>Fitch Ratings</th>
<th>DBRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 2</td>
<td>A3</td>
<td>BBB+(1)</td>
<td>BBB+</td>
<td>A (high)</td>
</tr>
<tr>
<td>Legacy T1</td>
<td>Baa3</td>
<td>BBB-</td>
<td>BBB</td>
<td>A (low)</td>
</tr>
<tr>
<td>AT1</td>
<td>B1</td>
<td>B+</td>
<td>B+</td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>Ba2</td>
<td>BB+</td>
<td>BBB-</td>
<td></td>
</tr>
<tr>
<td>Outlook</td>
<td>Negative</td>
<td>Stable</td>
<td>Evolving</td>
<td>Negative</td>
</tr>
</tbody>
</table>

### Senior unsecured

<table>
<thead>
<tr>
<th>Long-term</th>
<th>Preferred(2)</th>
<th>Non-preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 2</td>
<td>A3</td>
<td>BBB+</td>
</tr>
<tr>
<td>Legacy T1</td>
<td>B1</td>
<td>BB+</td>
</tr>
<tr>
<td>AT1</td>
<td>B1</td>
<td>B+</td>
</tr>
<tr>
<td>Short-term</td>
<td>P-2</td>
<td>A-2</td>
</tr>
</tbody>
</table>

### Note:

- Ratings as of 6 September 2019
- (1) 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
- (2) Defined as senior unsecured debt rating at Moody’s and S&P, as preferred senior debt rating at Fitch and as senior debt at DBRS

Following the transformation announcement, all rating agencies affirmed their ratings and argue that execution of the plan would lead to rating upgrades.
Rating landscape – senior debt ratings

<table>
<thead>
<tr>
<th>Rating scale</th>
<th>EU Peers</th>
<th>Swiss Peers</th>
<th>US Peers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>BAR</td>
<td>BNP</td>
<td>HSBC</td>
</tr>
<tr>
<td>P/A-1</td>
<td>Aa2/AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P/A-1</td>
<td>Aa3/AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P/A-1</td>
<td>A1/A+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P/A-1</td>
<td>A2/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P/A-2</td>
<td>A3/A</td>
<td></td>
<td></td>
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<tr>
<td>P/A-2</td>
<td>Baa1/BBB</td>
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<tr>
<td>P/A-2</td>
<td>Baa2/BBB</td>
<td></td>
<td></td>
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<tr>
<td>P/A-3</td>
<td>Baa3/BBB</td>
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</table>

**Moody’s**

- **Rating landscape – senior debt ratings**

- **Note:** Data from company information / rating agencies, as of 6 September 2019. Outcome of short-term ratings may differ given agencies have more than one linkage between long-term and short-term rating.

- **(1)** Senior debt 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, derivative claims, LOC’s.

- **(2)** Senior debt 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. junior senior unsecured debt classification from Moody’s and senior subordinated from S&P).
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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.

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