Investor Deep Dive

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Chief Risk Officer

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Deutsche Bank

Summary

- Active and disciplined risk management framework provides the foundation for managing through stress
- Resilient loan portfolios reflecting conservative underwriting framework
- Market and liquidity risks actively managed and tightly controlled
- Continue to invest in systems and processes to enhance control environment capabilities with focus on Anti-Financial Crime

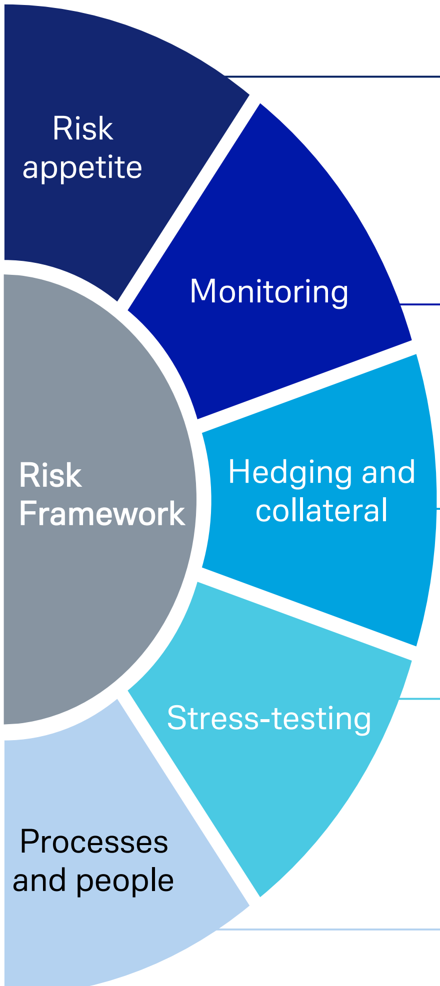
Low risk and conservatively managed balance sheet

	Q4 2019	Q3 2020
Common Equity Tier 1 capital ratio	13.6%	13.3%
Provision for credit losses as % of loans[(1)]	17bps	47bps
Average Value-at-Risk[(2)]	€ 25m	€ 42m
Most Stable Funding[(3)]	83%	81%
Liquidity Reserves	€ 222bn	€ 253bn

(1) Year-to-date provision for credit losses annualized as % of loans at amortized cost (€ 433bn as of 30 September 2020)
(2) Trading Book Value-at-Risk at 99% confidence level and a 1 day holding period.
(3) Defined as funds from Capital Markets & Equity, Private Bank and Corporate Bank as a proportion of the total external funding. 85% including TLTRO

Disciplined risk management framework

Active and conservative risk framework provides the basis for managing through stress



- Group risk appetite calibrated to earnings capacity, capital adequacy, operational stability and culture. Appetite cascaded down to businesses
- >400k credit and market risk limits across country, industry, asset class and clients
- Strictly controlled risk appetite for top group non-financial risks (NFR)

- Credit and market risk: Dynamic monitoring and management of risk limits
- Liquidity risk: Daily monitoring across key currencies, entities, businesses, products
- AFC[1] / Compliance: Daily monitoring ~3m transactions and >1m communications

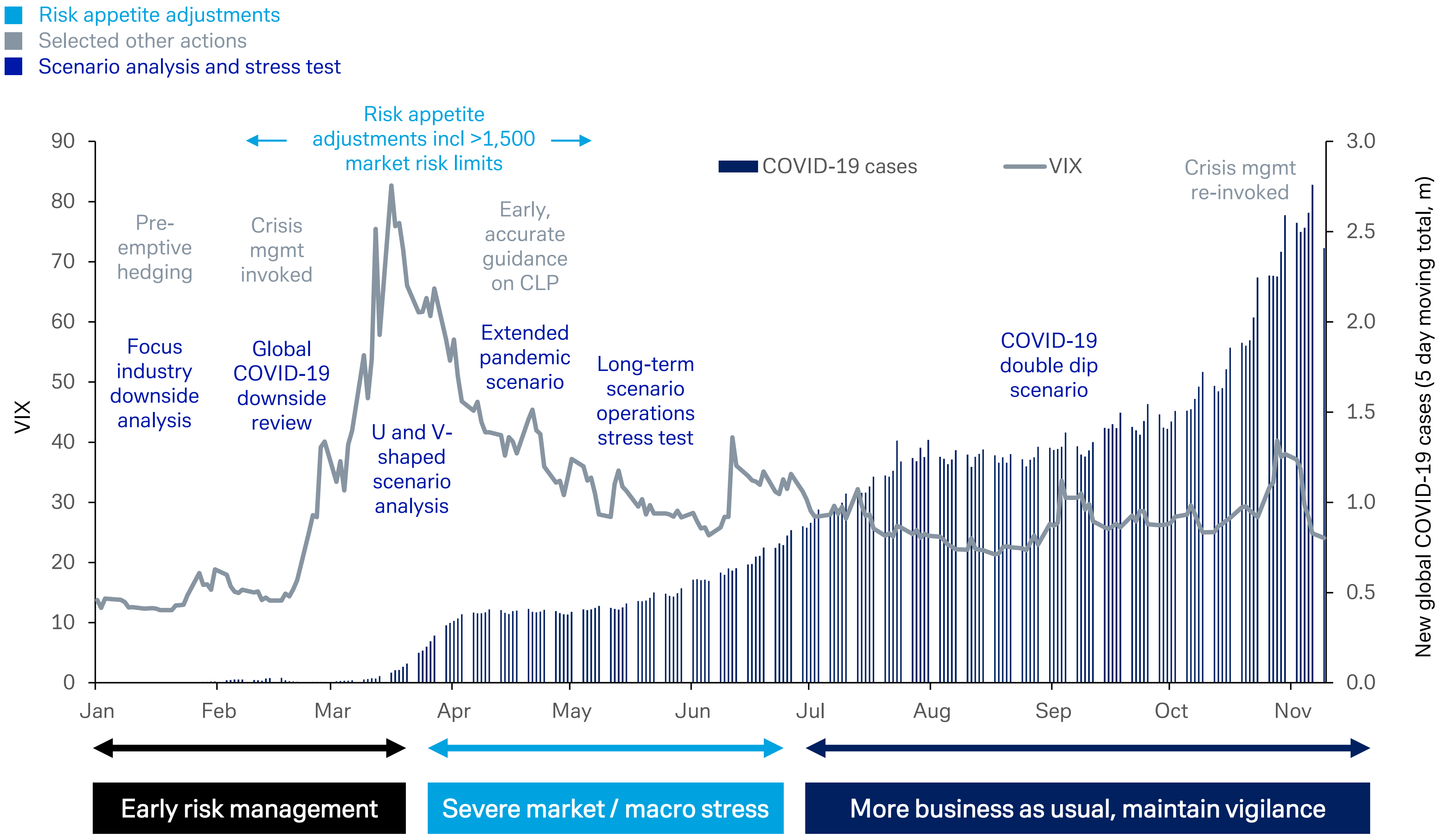
- Comprehensive and dynamic credit and market risk hedging frameworks
- € 44bn CLO & CDS hedges on 1.7k names; 4 of 5 largest 2020 CLPs hedged
- Market risk hedges provided effective mitigation to select portfolios

- Regular stress tests across range of scenarios & severities
- NFR scenario analysis used to test emerging risks and support control assessments

- Well-established crisis management procedures
- Comprehensive NFR and control assessments
- Regular staff training on risk culture, conduct, integrity

(1) Anti-Financial Crime

Proactive crisis management through COVID-19



Investments have further strengthened our foundations

~€ 1.2bn investments in technology across Risk, Anti Financial Crime and Compliance in 2017 – 2020

Credit Risk

- Introduced advanced risk monitoring analytics
- New system with integrated workflow
- More granular and better integrated data supports portfolio management capabilities

Market Risk

- Full revaluation VaR introduced from Q4 2020
- 30bn valuations and 12 terabytes of data analysed daily
- Front to back alignment, strengthening controls

Liquidity Risk

- New front-to-back architecture
- Enhanced stress test methodologies
- Position level funds transfer pricing to optimize allocation decisions
- Daily T+1 liquidity risk and regulatory reporting

AFC / Compliance

- Improved control environment e.g. enhanced name list screening, upgraded client rating methodology, automated investigation process
- Advanced machine learning capabilities to help identify fraud attempts

Climate / ESG

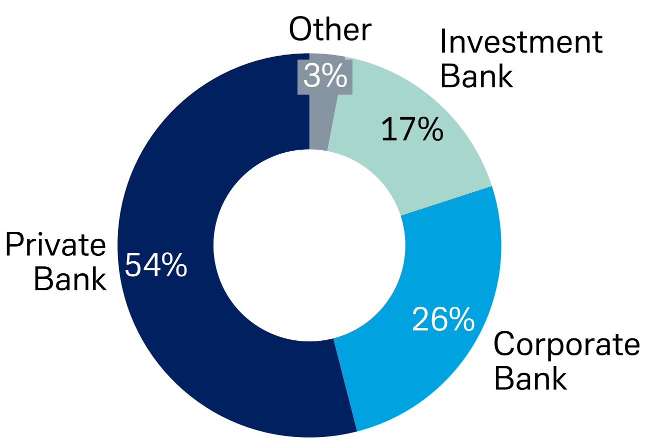
- Scenario analysis, climate taxonomy, carbon intensity and emissions analysis under development
- Participation in UNEP FI, EBA Pilot Sensitivity Exercise
- Tightened ESG standards in place (i.e. arctic and oil sands projects)

Pace of technology and control improvements being maintained into 2021

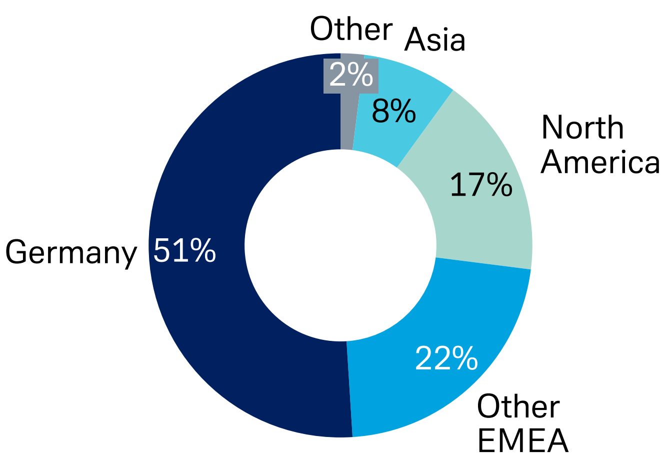
Conservative loan portfolio

Loans at amortized cost gross of allowances for loan losses (€ 433bn as of 30 Sep 2020)

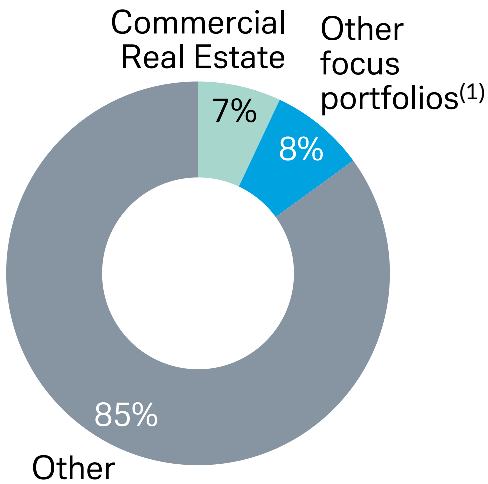
~75% in lower risk Private Bank and Corporate Bank



~50% in Germany



~15% exposure to focus portfolios

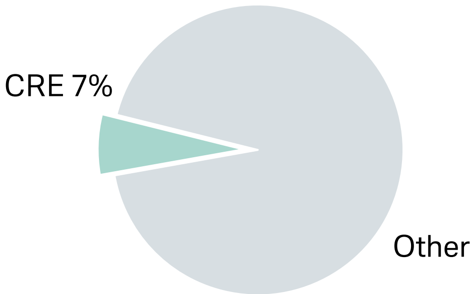


(1) Aviation, LDCM, Consumer Finance

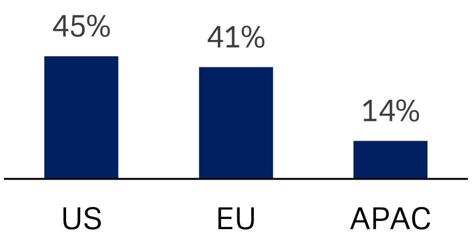
CRE: high quality portfolio, challenging conditions

Commercial Real Estate portfolio

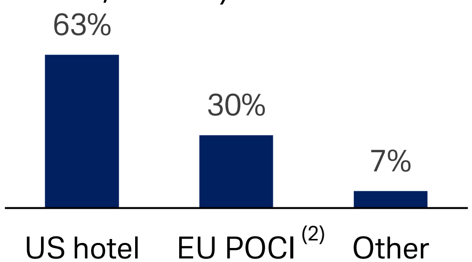
Loans at amortized cost
(as of 30 Sep 2020, total € 433bn)



Portfolio breakdown by region



Stage 3 provision for credit losses
(9M 2020, € 107m)



Lower risk exposures (€ 22bn)

- **Investment Bank:** office (€ 7bn, 59% WALTV(1)), residential (€ 4bn, 63% WALTV(1)), mixed use & industrial (€ 5bn, <60% WALTV(1))
- **European (former Postbank) portfolio:** (€ 6bn, 54% WALTV(1)): senior secured non-recourse lending, average deal size € 27m, no Stage 3 CLPs in 9M2020. 50% office, 30% retail, 10% hotel

COVID-19 higher risk exposures (€ 7bn)

- Within the **Investment Bank:**
  - **Hotels** (€ 4bn): 60% WALTV(1) is a significant mitigant to portfolio risk deterioration. Committed sponsors / equity cushion provide additional protection
  - **Retail** (€ 2bn): 54% WALTV(1). Quality of assets and sponsors mitigate COVID-19 impact. ~50% in US
  - **Condominium** (€ 1bn): 52% WALTV(1)

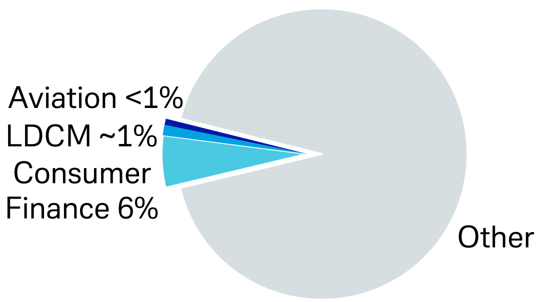
Focus portfolio (€ 1.6bn)

- Largely **within the higher risk exposures** in the **Investment Bank**
  - **24** assets with **>90% of exposures in the US,** top **10** deals account for **65%**
  - Concentrated in US Hotels, where indicative WALTVs have increased to ~80%, retail and smaller condo / other sector exposures

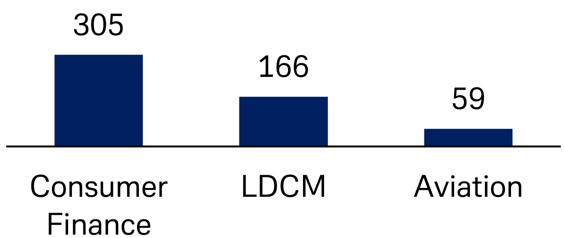
(1) Weighted average loan to value (WALTV) based on pre COVID-19 valuations. Current indicative market value updates suggest higher LTVs
(2) Purchased or Originated Credit Impaired

Other focus portfolios: continue to perform resiliently

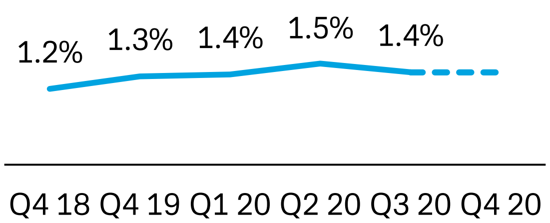
Loans at amortized cost
(as of 30 Sep 2020, total € 433 bn)



Stage 3 provision for credit losses
(9M 2020, in € m)



Consumer Finance delinquency ratios 90dpd+



Aviation (€ 3bn)

- Values impacted by severe stress on lessors, airlines & financiers
- Largely secured by core aircraft. Well positioned for reduction of fleets and faster recovery versus other aviation
- 83% of loans performing
- Commitments reduced by 18% since February 2020

LDCM (€ 5bn)

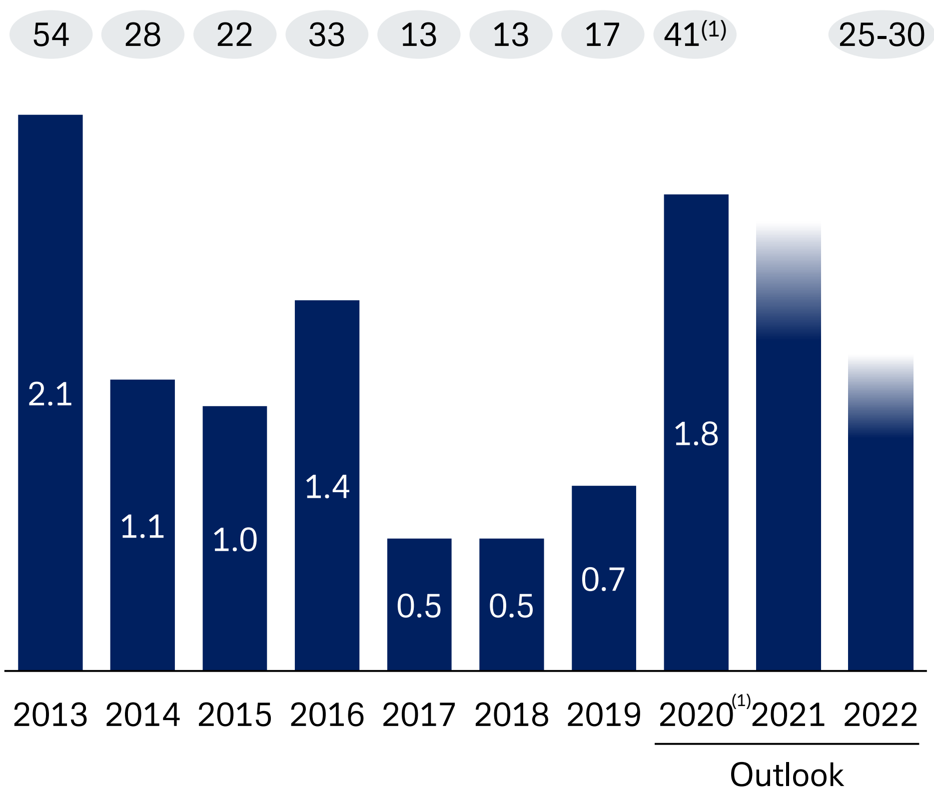
- High Yield bond & loan market conditions remain supportive
- Activity moved from waivers and amendments to primary issuance
- Diversified: largest sectors Industrials (43%), Consumer (14%)
- ~20% asset based lending with low loss history, remainder first lien senior secured mainly revolving credit facilities

Consumer Finance (€ 24bn)

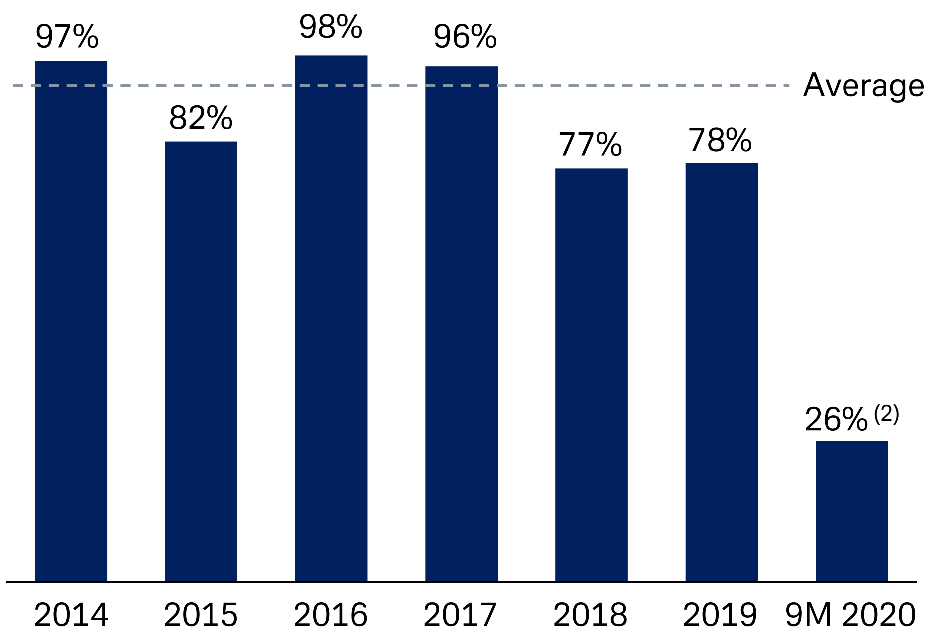
- Primarily unsecured loans to private households, credit cards <10%
- Exposure concentrated in Germany (€ 15bn) and Italy (€ 7bn)
- Currently 27k Private Bank clients (€ 0.4bn) under moratoria, down from 62k (€ 1.2bn) in June 2020
- >90% of clients previously in moratoria have resumed payments

Provisions for credit losses in line with expectations

Net provisions for credit losses, in bps



Gross charge-offs as % of gross credit loss provisions

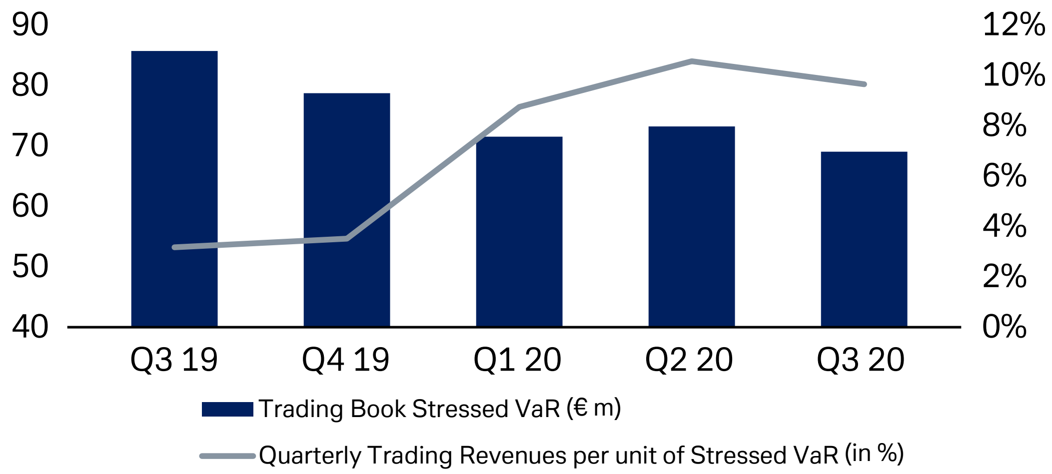


Conservative approach to provisioning:
- Allowance for loan losses of € 4.8bn, 111bps of loans
- Stage 3 coverage ratio incl. collateral ~75%

(1) Calculated based on expected loan balances at year-end
(2) 9M 2020 figure reflects timing differences between charge-offs realized and booking of provisions for credit losses

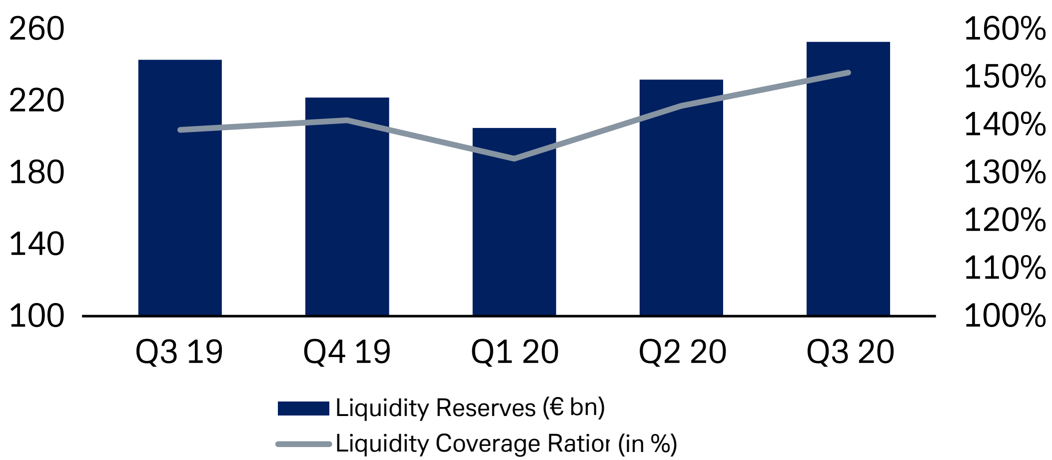
Market and liquidity risk actively managed in the crisis

Disciplined risk taking supported trading performance



- Lower market risk stress loss utilisation driven by derisking and pre-emptive hedging going into COVID-19 crisis
- Proactive market risk hedges provided effective mitigation to select portfolios
- Additional stress testing throughout the crisis with risk appetite dynamically reviewed across 16k limits
- Effective NII risk management framework reduced downside of lower interest rates while maintaining upside earnings generation

Sufficient capacity to manage liquidity drawdowns

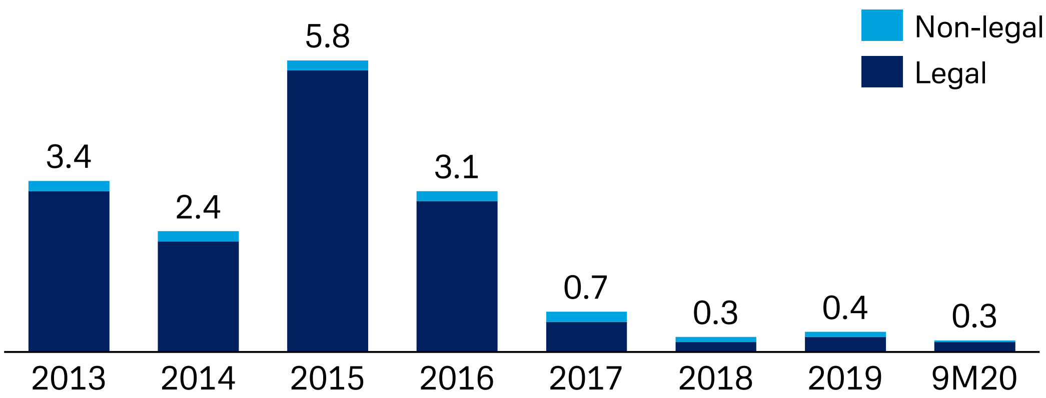


- Liquidity impact from drawdowns of committed facilities well managed in H1 2020, supported by conservative positioning going into the COVID-19 crisis
- Liquidity coverage ratio and reserves now above pre-crisis levels supported by committed facility repayments and deposit growth

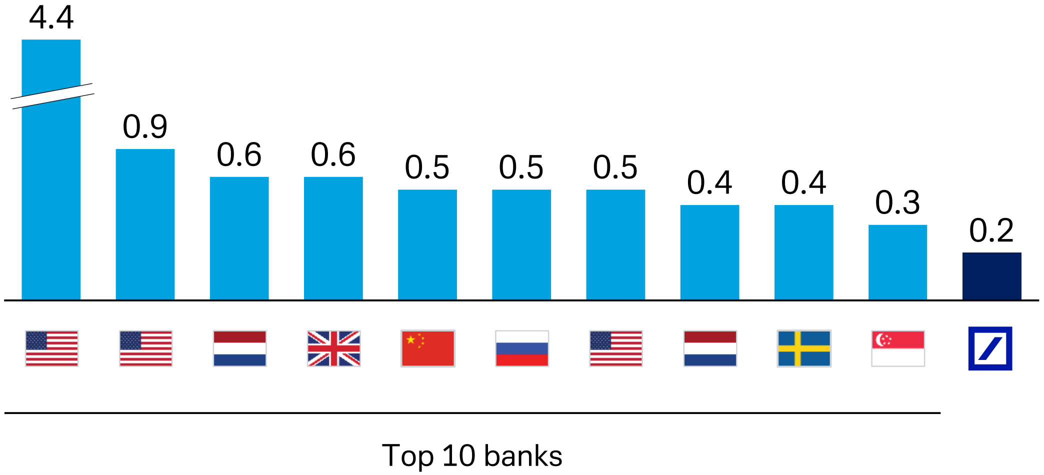
Non-financial risk

9M 2020, in € bn

Internal Losses



Industry Losses (ORX News(1))



- COVID-19 stretched the control environment for non-standard, manual process management during a period of significant market volatility
- Supported by improved control environment, no material operational events directly attributable to COVID-19 observed
- 9M 2020 losses in line with previous years despite COVID-19 challenges and well below top 10 banks
- AFC control environment strengthened with upgraded client risk rating methodology and machine learning capabilities
- Further progress targeted in 2021 under front-to-back AFC strategic transformation program

(1) Based on public data available in the ORX News database and may differ from the losses reported by banks. ORX News is an industry-leading provider of publicly-reported operational risk loss events

Risk outlook: challenging, but we are well prepared

Credit outlook	— Defaults to remain elevated versus pre COVID-19 levels as Government support measures are scaled back even if a vaccine is widely rolled out — Focus sectors likely to be impacted by COVID-19 driven structural changes
Financial markets	— Lower for longer interest rates increases clients' need to preserve wealth, increasing leverage and valuations — Risk of further bouts of volatility and tightening of financial conditions
Geopolitical / country risks	— US relations with Russia / China; Hong Kong protests; Middle East tensions — Near-term risks: Brexit; Political transition in the US
COVID-19 as a catalyst for structural changes	— Digitalisation: Acceleration raises risks for sectors reliant on physical sales — Supply chains: Glocalization may impact regional trade flows, Emerging Markets potentially impacted by re-shoring of production — Sustainability: Accelerated shift from fossil fuels
Non-financial risks	— Higher market volatility, client stress and split operations / working from home increase inherent risks in areas including information security, fraud, transaction processing, conduct

Conclusion

- Active, disciplined risk management framework is the foundation for managing through stress
- Robust control framework proving effective through the crisis
- Significant control enhancements across risk types
- Continue to invest in anti-financial crime capabilities
- Capital and liquidity buffers sufficient to withstand unexpected downside events

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Appendix

Speaker biography – Stuart Lewis

Stuart Wilson Lewis became a member of our Management Board on June 1, 2012 and is our Chief Risk Officer. On July 7, 2019 he assumed responsibility for Compliance, Anti-Financial Crime and the Business Selection and Conflicts Office.

He joined Deutsche Bank in 1996. Prior to assuming his current role, Stuart Lewis was the Deputy Chief Risk Officer and Chief Risk Officer of the Corporate & Investment Bank from 2010 to 2012. Between 2006 and 2010 he was Chief Credit Officer.

Before joining Deutsche Bank in 1996, he worked at Credit Suisse and Continental Illinois National Bank in London.

Stuart Lewis studied at the University of Dundee, where he obtained an LLB (Hons), and he holds an LLM from the London School of Economics. He also attended the College of Law, Guildford.

Cautionary statements

Non-IFRS Financial Measures

This document contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation not provided herein, please refer to the Financial Data Supplement which can be downloaded from www.db.com/ir.

Forward-Looking Statements

This document 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 2020 under the heading “Risk Factors.” Copies of this document are readily available upon request or can be downloaded from www.db.com/ir.