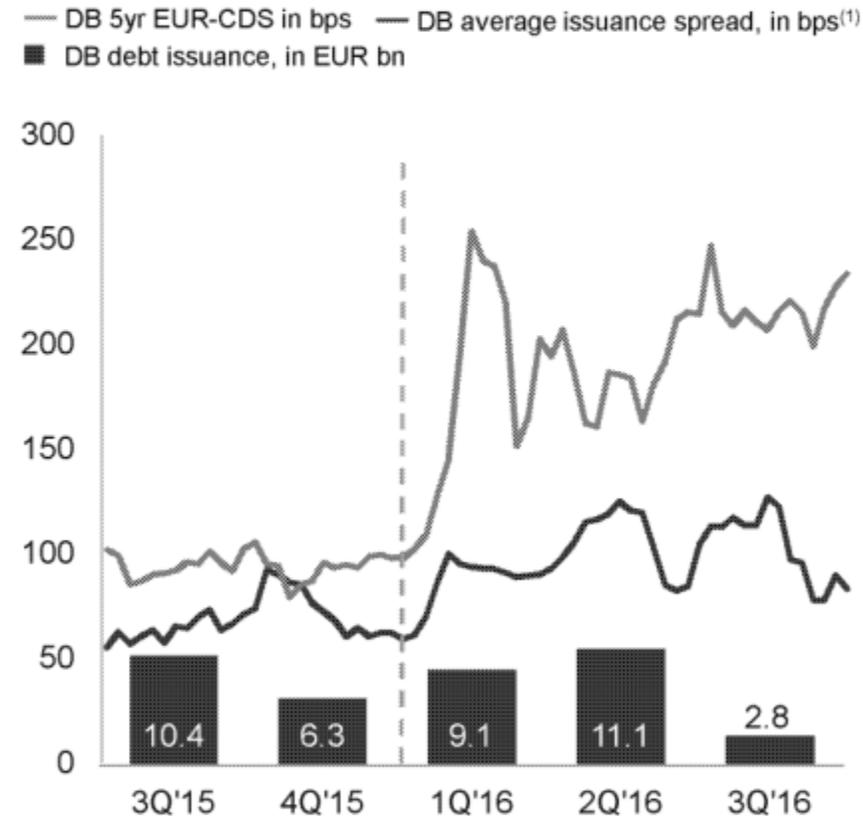




CDS spreads do not reflect Deutsche Bank's risk or funding costs

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



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 from 1 January 2017
 - Senior unsecured debt (which CDS spreads reference) will be 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

(1) Based on the 4 week moving average issuance spread. AT1 instruments excluded from spread calculation. As of January 2016, all non-Euro funding spreads rebased to a spread vs. 3 month Euribor and reported accordingly. 4Q15 spreads would have been on average ~10bps lower if reported on that basis