

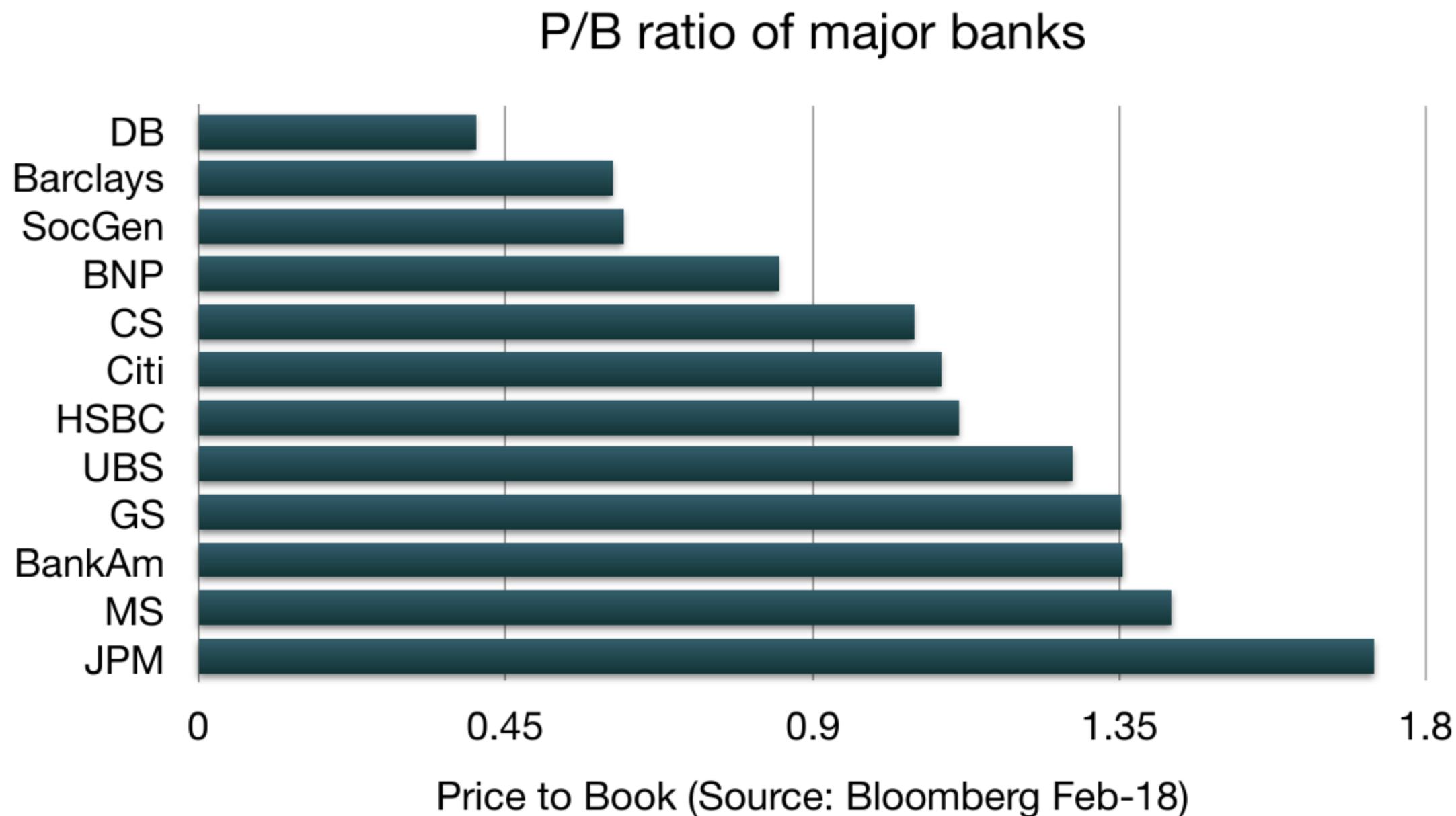


Unlocking Trapped Value

Deutsche Bank

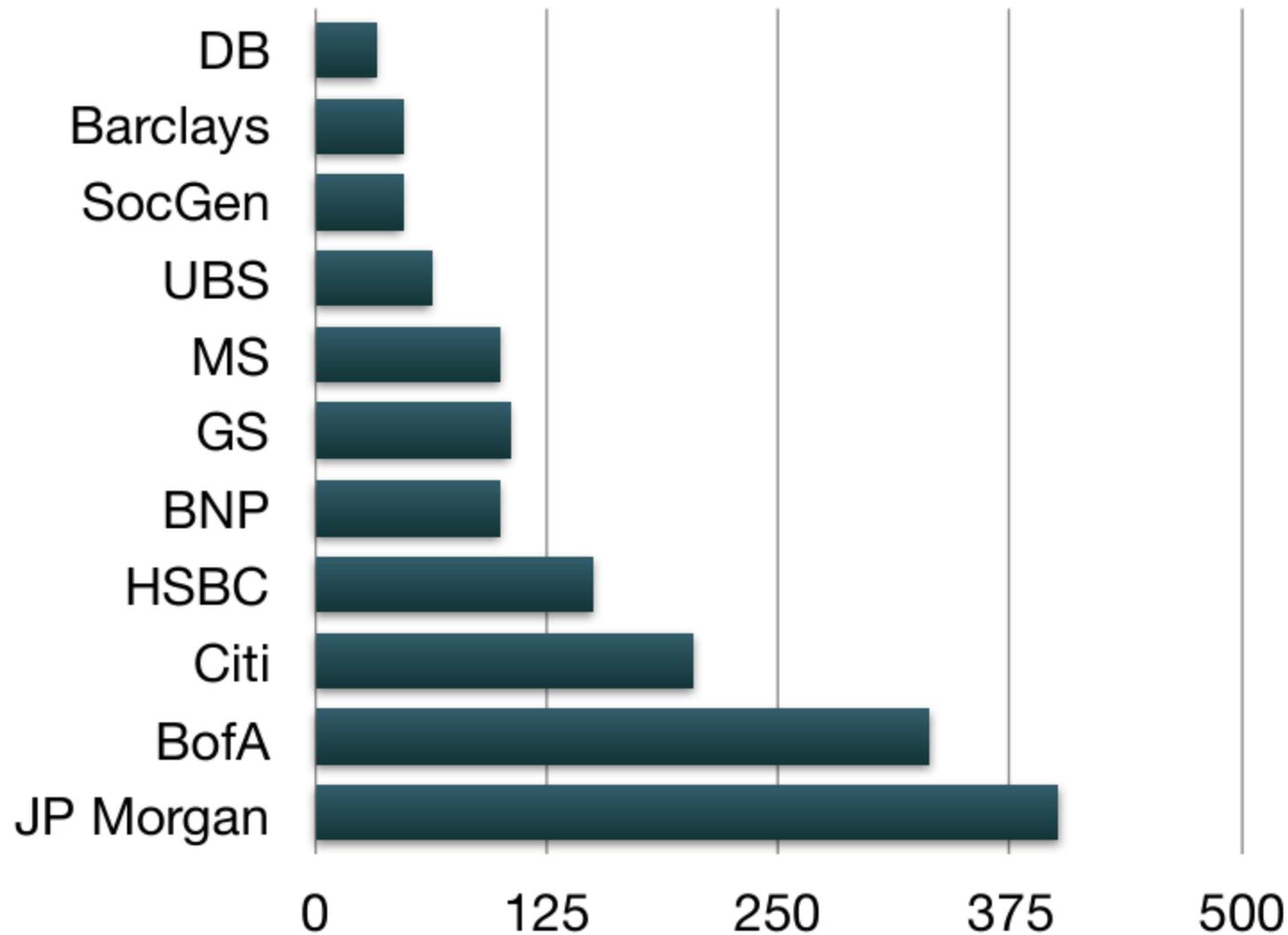
Cheapest valuation among banks - Deutsche Bank

- Deutsche Bank is the cheapest with a Price to Book ratio of 0.40 versus peer average of 1.07



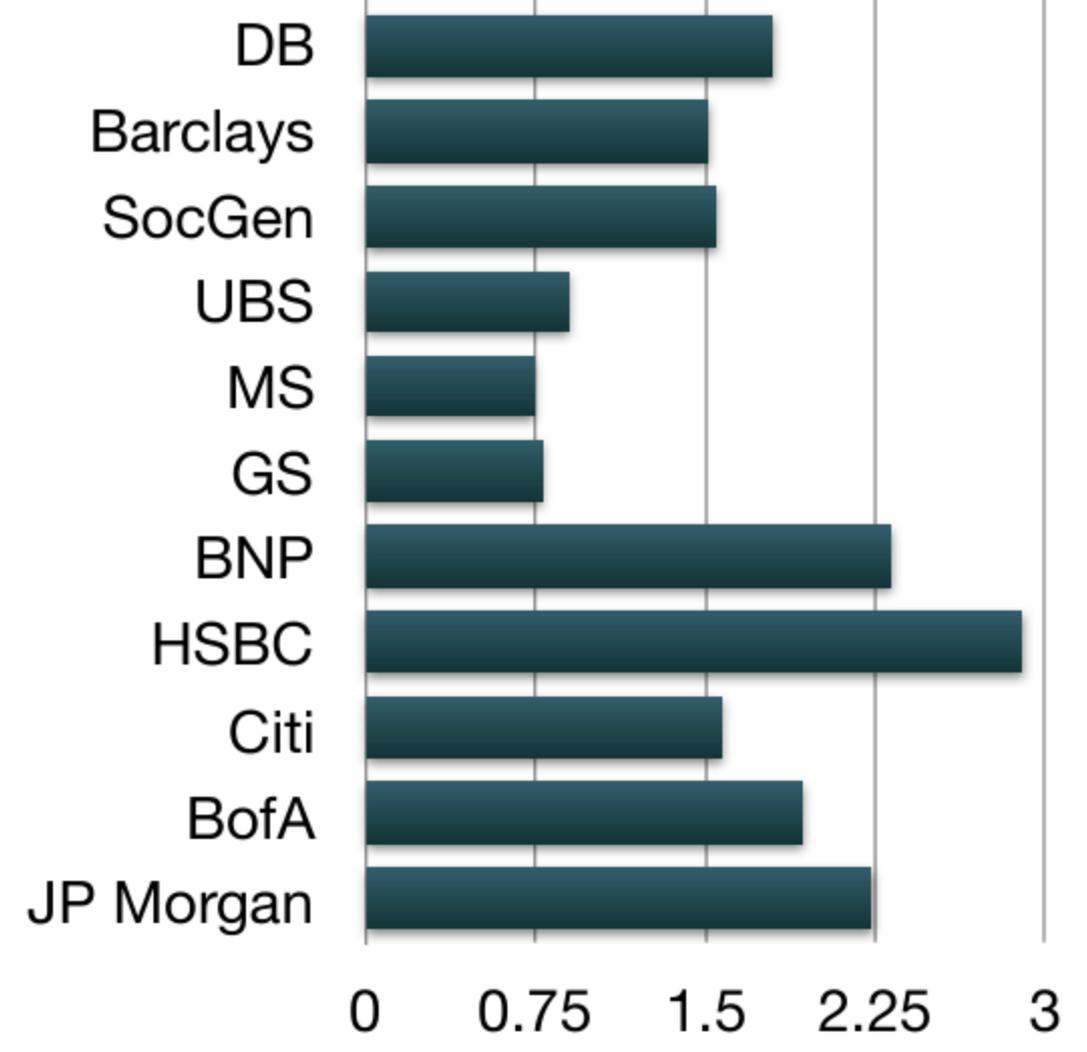
Smallest market cap for a similar balance sheet size

Market Cap in USD bn



Source: Bloomberg Feb-18

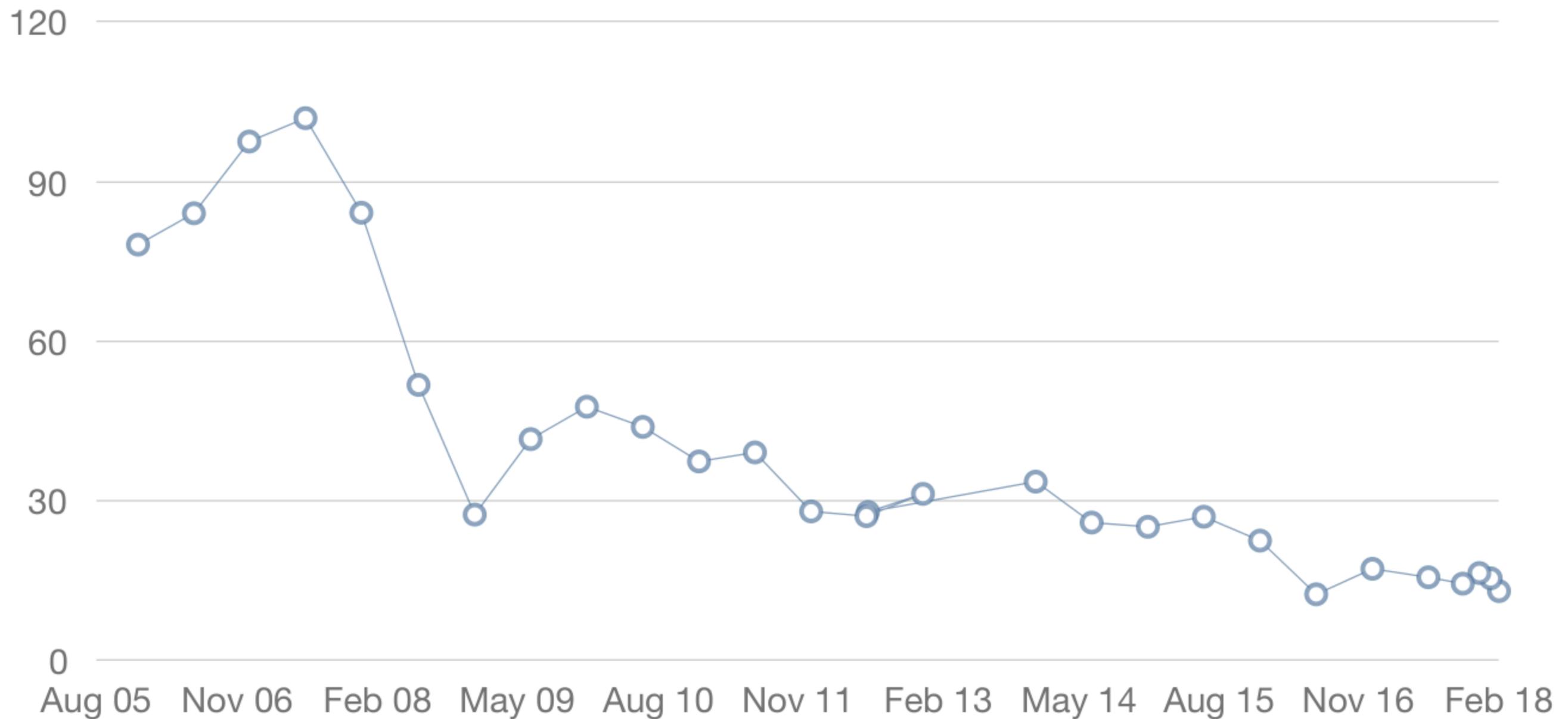
Bal Sheet in USD tn



Source: Bloomberg
Dec-17

DB Stock Price is below 2009 levels

Stock Price of DBK in EUR over time



Why now?

- Legacy non-core assets - resolved by Dec 2016
- Legacy litigation - mostly resolved by Jan 2017
- Capital issues - mostly resolved by April 2017

Non-Core: Non-core division shut down on 31-Dec-16. Litigation: with Department of Justice was resolved on 17-Jan-17. DB agreed pay \$7.2 bn to resolve matters related to mortgage backed securities, Capital: raise of EUR 8 bn successfully completed on 7-Apr-17. Pro-forma Tier 1 ratio is 15.1% and CRD 4 ratio is 4.1%

DB does not have unique circumstances

- Weak FICC - affects banks like GS even more than DB as they are pure plays
- Low Rates in Europe - affects banks like BNP, SocGen and UBS
- Trust factor - affects banks like CS, BNP and SocGen
- Regulation - affects each and every bank
- Litigation - affects US banks even more
- People - working at DB have either worked at other banks like GS (CFO and Head of Rates), UBS (CEO), CS (Head of Fixed Income) etc

So what is the problem?

Game of Thrones

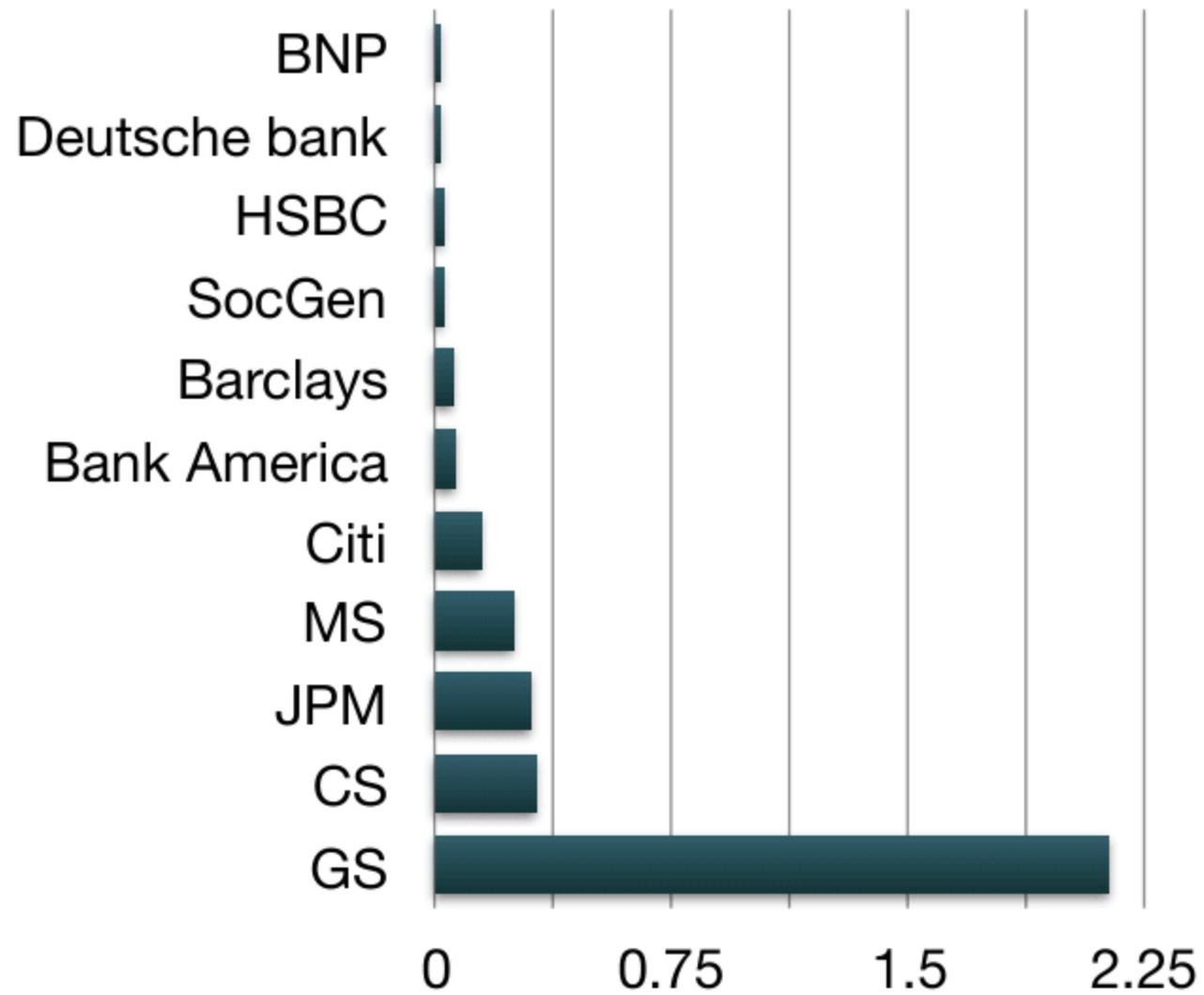
- CEO vs 2 deputy co-CEOs
- Retail bank head vs CEO of Postbank
- Head of Asset Management wants to IPO his division
- Co-heads everywhere
- Friends and family rule

Shareholder comes last in this fight



Little or no stock owned by Mgmt

Ownership of insiders as a % of outstanding stock

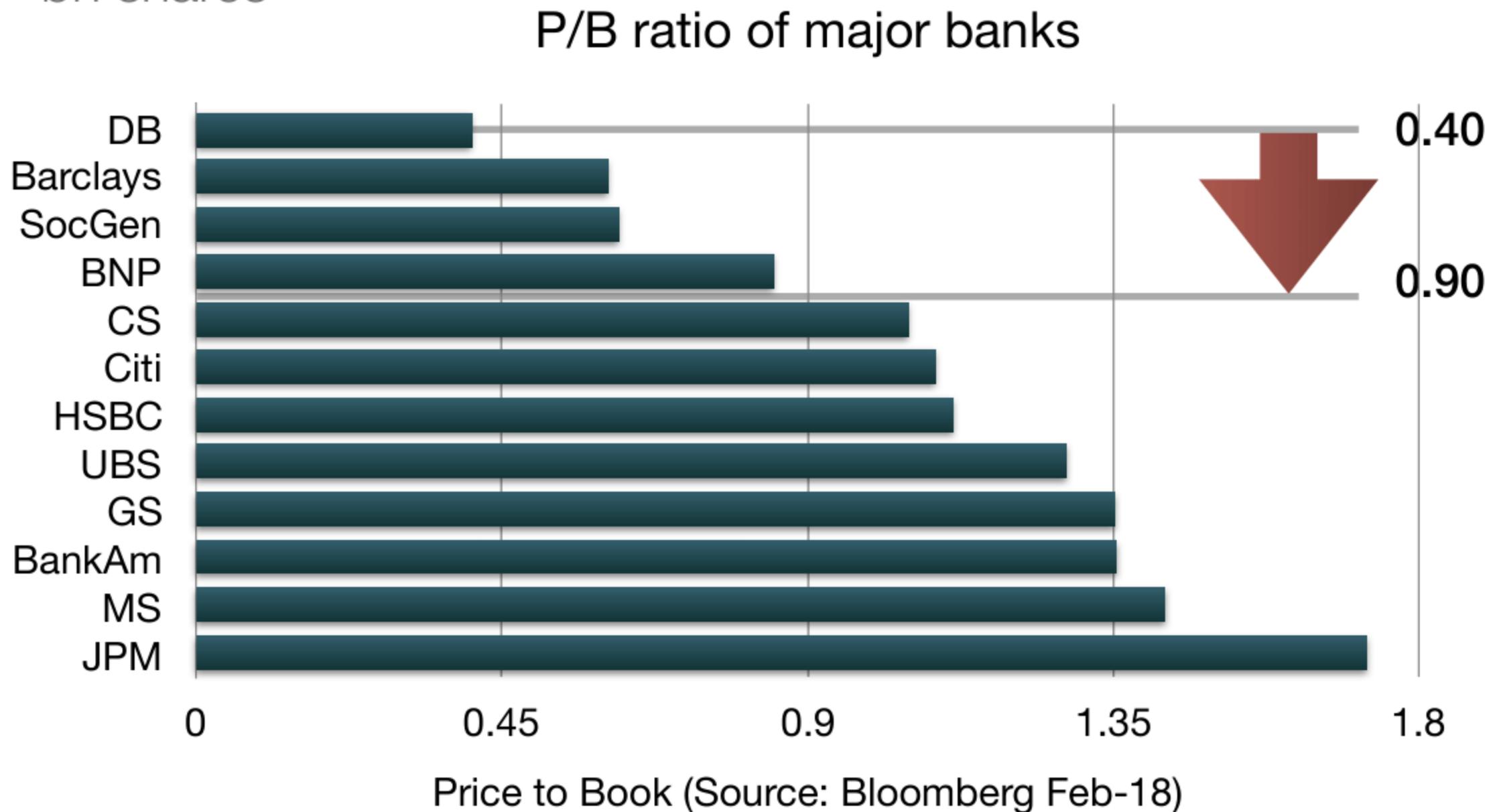


(Source: Bloomberg Oct-17)



The plan to double the stock price

- We have no ambition to ace the class. We just want to be bottom quartile instead of bottom of the class. The stock price is 12.9 with 2 bn shares





DB has produced many plans
Strategy 2020, Strategy 2015

Never executed and finished

Plan - details and more details

- Current share price is EUR 12.9
- Needs one empowered CEO
- Phase 1 - Quick Results (6 month timeline)
 - Spin-Off/IPO not core businesses - Receive EUR 6.5 per share
- Phase 2 - In parallel optimization of business (12 months)
 - Increase valuation on rest of company to EUR 23.5 per share



PHASE 1

- DB is actively preparing for an IPO of DB Asset Management (AM) and integrating a standalone PostBank into DB Retail Bank
- AM - is expected to IPO at a valuation of EUR 7-8bn with DB maintaining a super-majority control **STOP THIS AND RETURN CASH AS A TAX-FREE SPINOFF - WORTH EUR 4 PER SHARE**
- Postbank - is expected to be integrated into DB retail bank **STOP THIS AND SPIN OFF (TRADE SALE) - WORTH EUR 2-3 PER SHARE**

PHASE 2 - Wont be a GUB anymore

- DB wants to be a global universal bank (GUB). The focus has to be on delivering shareholder value
- Investment Bank - We have very detailed plans to reduce foot print and increase value
- Retail Bank - We need to stop the pretense and hire professionals. We have a detailed plan for this as well

Why do activists shy away from banks

- Regulator, Regulator & Regulator
- You need to know what each regulator is willing to accept
- Unknowns - Big annual reports but low transparency on assets and derivatives
- Litigation with governments - cannot be measured
- US banks solved problems quickly
- EU banks have been perceived to be quasi state entities



Why us?

- Together, we have over 50 years experience in DB and over 60 years in European Banks
- Good relationship and understanding of all regulators - FED, FCA and ECB/BaFin
- Strong track-record in building businesses and most recently resolving all legacy matter of DB
- We know the management board members well. Their personal battles are consuming the company

How to execute spin-off of Asset Management?

“And all you do is follow the yellow brick road” - The Wizard of Oz

Current Status - Asset Management

- DB is planning to a primary listing/ IPO of a minority stake of asset management
- Operational status of the IPO
 - Asset Management legal entities and support functions have already been separated from the parent
 - Bankers have been hired to sell the stock in an IPO
 - Current anticipated IPO timeline is early 2018

Why an IPO and not a spin-off?

- Deutsche Bank likes asset management business and wants to retain a super-majority control
- Management wants to give currency to asset management to “pay employees” and have “currency” to merge/ acquire other AM businesses
- ALL WELL AND GOOD IN NORMAL CIRCUMSTANCES

Deutsche Asset Management

Goodwill impairment of EUR 1.021Bn

(in EUR mn)	2017	2016	2015
Revenue	2,532	3,015	3,016
Adj Costs	1,806	3,220	2,334
Income before Income Taxes	725	(206)	682
Invested Assets	702 Bn	706 Bn	744
Net New Money	16 Bn	(41) Bn	18
Cost Income Ratio	71%	107%	77%

Deutsche Asset Management Clean (Our model)

(in EUR mn)	2017	2016 Adjusted	2015 Adjusted
Revenue	2,532	2,619	2,758
Adj Costs	1,806	1,825	2,078
Income before Income Taxes	725	794	680
Invested Assets	702 Bn	706 Bn	744 Bn
Net New Money	16 Bn	(41) Bn	18
Cost Income Ratio	71%	69%	75%

Where do asset managers trade?

- DB Asset Management will trade around EUR 7-8Bn at listing based on relative value (EUR 4 per share). If spun off, there is substantial upside

Valuation of Major Asset Managers

Asset Manager	AUM	Net Cash P/E	Market Cap	Alternatives	AUM	Absolute P/E	Market Cap
Affiliated Mgr	804	10.7	11.0	Apollo	246	11.4	13
Blackrock	5,977	17.5	80.3	Blackstone	407	10.5	38
Franklin	753	10.5	23.9	Carlyle	196	8.9	8
Eaton Vance	406	16.8	6.5	KKR	159	8.1	17
Federated	364	13.4	3.3	Oaktree	101	12.6	7
Invesco	918	12.6	14.7				
Janus Henderson	361	13.7	7.3	As of 30-Nov-17			
Legg Mason	754	12.8	3.7	Numbers in \$bn			
T Rowe Price	948	18.0	24.5				
Wisdom Tree	0	33.3	1.6				

Source: Bloomberg 30-Nov 2017

Three businesses of Asset Management

- Active Long Only - Biggest and most profitable business of Asset Management. It is a classic active equity/ fixed income management. Our estimate is around EUR 550 Bn
- XTrackers - Passive ETF business where DB has a market leadership in Europe but sub-scale in US. Our estimate is EUR 80-90 Bn
- Alternative business - RREEF good in real estate and infrastructure. Lumpy performance fees. AUM is 80 Bn

Breakdown of AUM and profitability is not provided

Spin-Off of Postbank

**“Would you tell me, please, which way I ought to go from here?” -
Alice in Wonderland**

What is Postbank?

- What is Postbank?
 - Independent retail bank with 9Mn customers in Germany. Acquired by Deutsche Bank over 2008-2014 (multiple stages and squeeze out)
 - Has EUR 118Bn deposits and a balance sheet size of EUR 147bn
 - Independent bank, different systems
 - BaFin did not give the waiver to use the deposits of Postbank in broader Deutsche Bank



Postbank strategy - directionless

- 2017 - DB announces its intention to integrate Postbank
- 2015 - DB announces that it would sell Postbank
- 2015 - all the minority shareholders of Postbank were “squeezed out”
- 2012 - DB announces intention to fully integrated Postbank. Appoints board members. Integration fails over the following years
- 2012 - DB increases stake to 93.7%
- 2010 - DB increases stake to over 50%
- 2008 - DB buys 30% of Postbank for EUR 2.8bn from Deutsche Post



Postbank financials

(in EUR mn)	9M 2017	2016	2015
Net Revenues	2,322	3,320	3,143
Adj Costs	N/A	2,853	2,593
Income before Income Taxes	N/A	307	584
Equity	N/A	7,226	7,164
RoTE	N/A	6.2	13.1
Cost Income Ratio	N/A	85.8	80.3

Valuation of Postbank

- Tangible Book value of Postbank is 5.3bn
- Our estimate of the value will be EUR 4-6Bn or 2-3 per share
- We refer to Austria and Europe as Germany is influenced by DB and Commerzbank

Aggregate European Bank Valuation Metrics

	All Banks
P/E (adj)	10.4
P/Tangible Equity	1.03
ROTE	8.4%

Bank Valuation Metrics of Germany & Austria

	Germany	Austria
Adj P/E	18.5	9.5
Price/Book	0.43	0.83
Cost/Income	73%	63%
Price/ Tangible Book	0.44	0.92

Management Overhaul

“No man can serve two masters” - Bible

CEO - Pick your poison

Name	Title	Our Take
John Cryan	CEO	Ex-CFO of UBS, very intelligent but not decisive
Marcus Schenck	Deputy Co-CEO	Ex-CFO of EON, ex-GS Partner, FIG Banker. Quick to act but lacks clear strategy
Christian Sewing	Deputy Co-CEO	Spent his career in risk management and audit. Never managed or turned around a business

What about the elephant in the room?
Corporate and Investment Bank

It is additional upside but not the only source of value creation

What about the elephant in the room? Corporate & Investment Bank

- Revenue picture shows that most of the revenues are still from classic Sales & Trading. This business is broken
- Transaction Banking and Financing are only ones earning cost of capital

Revenues in EUR Mn			
	2017	2016	2015
Global Transaction Banking	3,942	4,421	4,609
Equity Origination	396	405	658
Debt Origination	1,327	1,393	1,481
Advisory	508	495	575
Origination and Advisory	2,231	2,292	2,714
Financing	2,231	2,375	2,127
Sales & Trading (Equity)	2,085	2,571	3,416
Sales & Trading (FIC)	4,380	5,087	6,083
Sales & Trading	6,465	7,658	9,499
Other	(644)	17	(51)
Total net revenues	14,226	16,763	18,899

Costs and everything else?

Costs in EUR Mn	2017	2016	2015
Total net revenues	14,226	16,763	18,899
Costs			
Provision for credit losses	213	816	393
Compensation and benefits	4,263	3,955	4,897
General and adm expenses	8,759	9,655	11,662
Impairment of goodwill	6	285	2,168
Restructuring activities	82	299	129
Total noninterest expenses	13,110	14,193	18,856
Income (loss) before income	877	1,705	(376)
Resources			
Employees -Front Office	17,251	17,140	17,169
Total employees (full-time	41,349	39,634	39,776
Assets (at period end)	1,127,000	1,201,894	1,236,770
Risk-weighted assets (at peri	232,000	237,596	247,423
CRR/CRD 4 leverage expos	1,029,946	954,203	1,007,791
Average allocated sharehold	44,182	40,361	40,753
Cost/income ratio	84.0 %	84.7 %	99.8 %
Post-tax return on average s	3.3 %	2.8 %	(0.6) %
Post-tax return on average ta	3.5 %	3.0 %	(0.6) %

What are the businesses of CIB?

Business	Sub Classification	What to do?
Equities	Cash Equities	Reduce a lot
	Prime Finance	Maintain
	Derivatives	Add a lot
Corporate Finance	█	Reduce a lot
	Credit Portfolio	Reduce a lot
FICC	Rates	Reduce a lot
	Foreign Exchange	Maintain
	Emerging Markets	Add a lot
	Global Credit Trading	Add a lot
	Asia Pacific	Add a lot
Global Capital Markets	Equity Capital Markets	Maintain
	Debt Capital Markets	Reduce
	Financing and Solutions Group	Maintain
	Leveraged Debt Capital Markets	Add a lot
Global Transaction Banking		Add a lot

RWA Breakdown

in EUR Bn	CIB	PBC ex Postbank	Postbank	Asset Management
Credit Risk RWA	124	36	37	4
CVA RWA	9		0	0
Market Risk RWA	30		5	
Operational Risk RWA	74	7	1	5
	237	44	44	9
Total RWA	356			

As of End-2016 per DB Annual Report

Transaction Banking a hidden jewel

- Pure-play transaction banking type businesses trade at high multiples
- By this metric, GTB will be worth EUR 16 bn as a independent listed company
- This is EUR 8/ share
- Transaction Banking has a revenue of EUR 4bn, we estimate the profit margin is 20-25%

	Market Cap	P/E
State Street	36.5	16.24
Northern Trust	22.2	20.45
Bank of New York	55.5	15.80

Costs

- DB overpays to infrastructure employees compared to front office employees. Instituting rules will reduce costs -
 - No supplemental base salaries for non-front office
 - No international travel for non-client facing employees (phone or VC)
 - Individual incentives tied to reducing costs
- Eliminate co-heads across the bank

What about the retail bank and wealth management?

Lots of opportunity

PBC financials includes Postbank

	2017	2016	2015
Private & Commercial Clients	5,013	5,226	5,603
Postbank	3,124	3,366	3,112
Wealth Management	2,041	1,880	2,097
Hua Xia	0	618	(175)
Total net revenues	10,178	11,090	10,637
Net interest income	5,876	6,201	6,415
Commission and fee income	3,367	3,395	3,816
Remaining income	935	1,494	406
Provision for credit losses	313	439	511
Compensation and benefits	3,966	4,042	4,161
General and administrative expenses	5,157	5,029	5,139
Impairment of goodwill and other intangible assets	0	0	3,608
Restructuring activities	360	141	586
Total noninterest expenses	9,495	9,212	13,495
Income (loss) before income taxes	382	1,439	(3,370)

PBC Resource Efficiency

Resources

Employees	43,671	45,045	46,601
Total employees	51,303	53,533	54,509
Assets (at period end)	330,884	329,869	312,732
Risk-weighted assets (at period end)	88,656	86,082	92,857
CRR/CRD 4 leverag	342,146	342,424	329,902
Average allocated shareholders' equity	14,793	14,072	14,182
Invested Assets	505	501	583
Net asset inflows	5	(42)	3
Client Assets	711	694	771
Efficiency Ratios			
Cost/income ratio	84.4 %	83.1 %	126.9 %
Post-tax return on average shareholders' equity	6.3 %	6.7 %	(15.4) %
Post-tax return on average tangible shareholders' equity	7.3 %	7.7 %	(18.1) %

PBC versus the rest

	CIR	P/TBV	RoE
Austria	63.3	0.92	9.1%
Germany	73.3	0.44	2.1%
UK	75.8	0.98	5.8%
France	68	1.00	7.6%

	Balance Sheet	Op Profit (2017)	What is asset side?
Aareal	44bn	310-350Mn	Structured CRE
BAWAG	40bn	500Mn	Bonds, consumer loans, property lending, DACH Corporates, bought loan
DB Retail Bank	140bn	700Mn	These are our estimates as Postbank and international division are not well disclosed

Plan for the Remaining Retail Bank - Asset Side

- Great retail banks have very effective assets or high NIM
- The differentiated asset base comes from specialty lending
 - BAWAG - Significant bond portfolio (6bn out of 36bn portfolio)
 - Aareal Bank - Pure play focus on CRE
- NIM can easily be increased by EUR 200Mn
 - Partner with KKR, LoneStar or Blackstone to be their preferred CRE and NPL financier
 - Lend to small real estate developers in Germany
 - Bring Lending Club/ SoFi to DACH and be the balance sheet provider
- Commissions can be increased by EUR 100Mn
 - Better focus on selling equities and build a Schwab type platform
 - Acquire or hire new fintech platforms

Wealth Management

- It is a mid-sized global wealth management
- It is currently run by a former head of strategy than a wealth-management expert
- We need a strong leadership to build and grow

in EUR Mn	2017	2016	2015
Revenue	2,041	1,880	2,097
Invested Assets	506 Bn	501 Bn	583 Bn
Asset Inflows	4 Bn	(42) Bn	3 Bn
Client Assets	711 Bn	694 Bn	771 Bn

“It is not necessary to do extraordinary things
to get extraordinary results”

-Warren Buffett

Division	Value per Share
PostBank	2
AM	4
GTB	8
IB	16
PBC	3
Sum	33