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The Drive for New Efficiencies in Payments

How Deutsche Bank is preparing for it



Daniel Marovitz
Deutsche Bank – *Head of GTB Product Management*

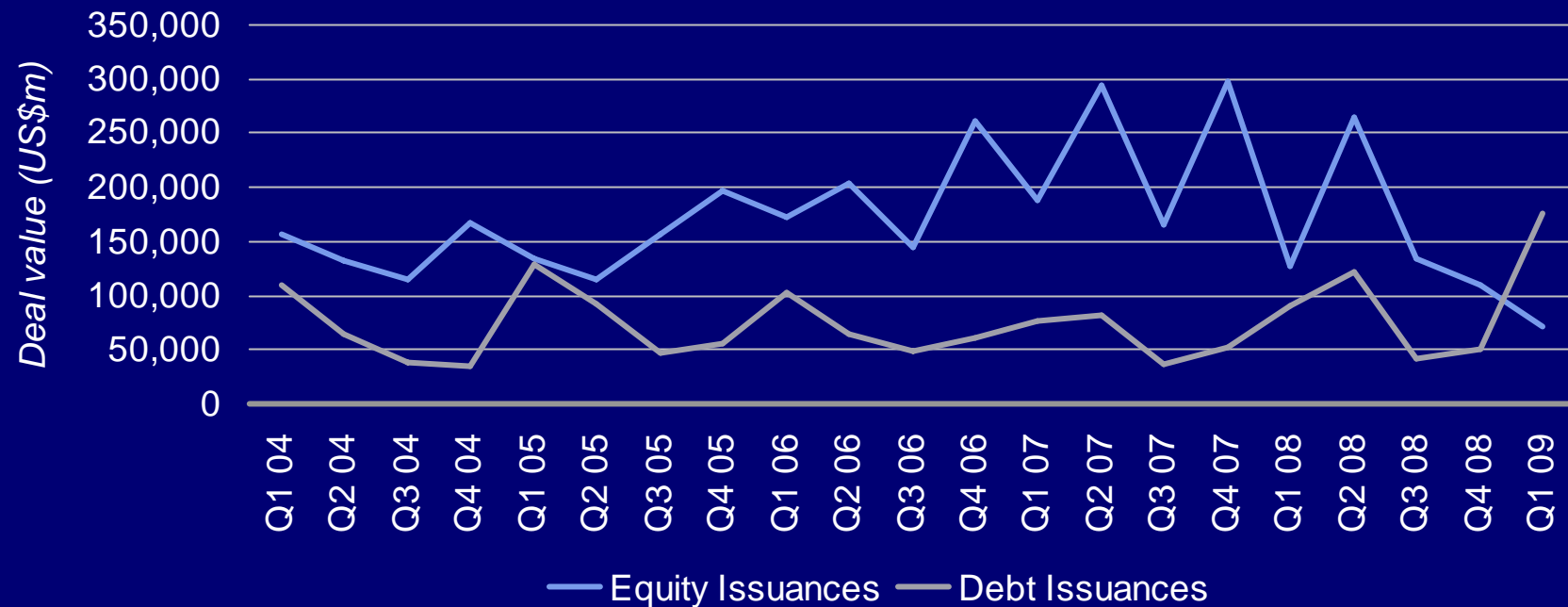
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Search for funding

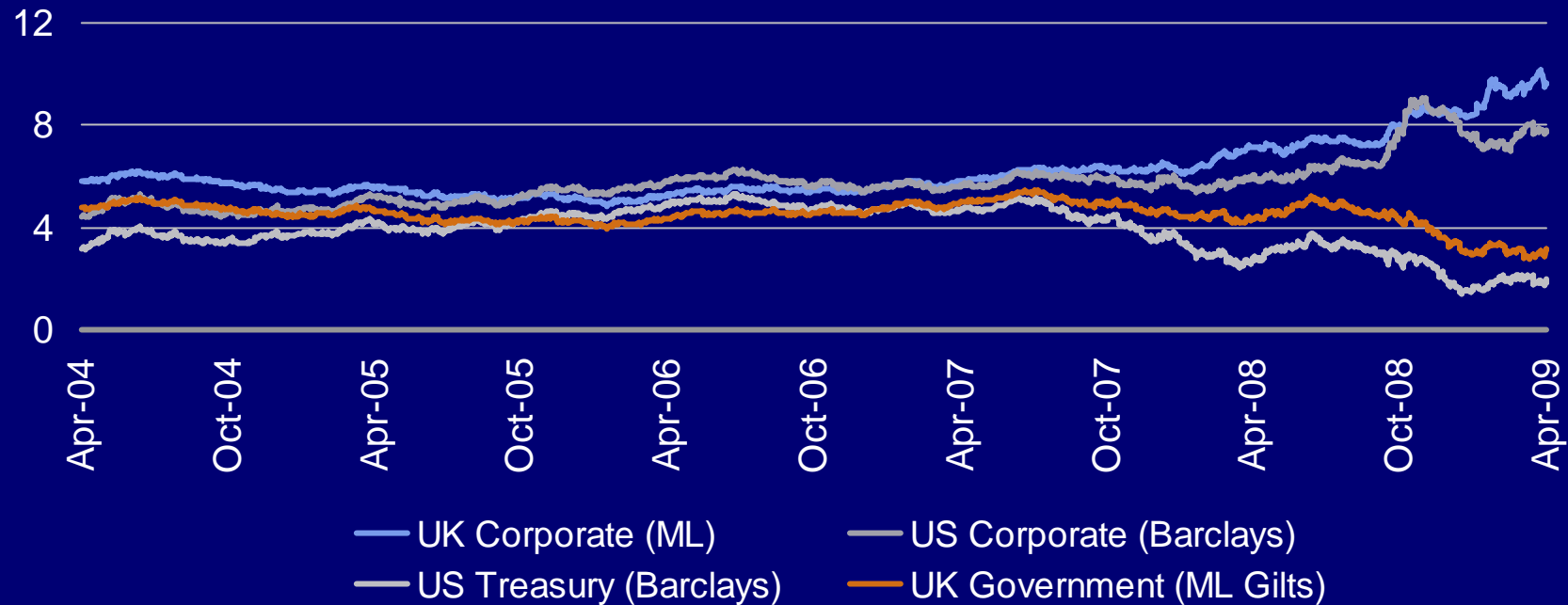
Equity and Debt Issuance levels over the last five years



- Q1 2009 equity issuance levels are at their lowest point in over five years
- Current levels of Government Debt Issuance - highest five years

There has been a shift to perceived 'safer' debt

UK & US Government Bond Yield vs. UK & US Corporate Bond Yield over the last five years



- Jaws between corporate & government Yields have widened in the last year
- Implies investors are moving to perceived risk free government debt

What does this mean for Transaction Banking?

It is becoming ever more important to Corporations

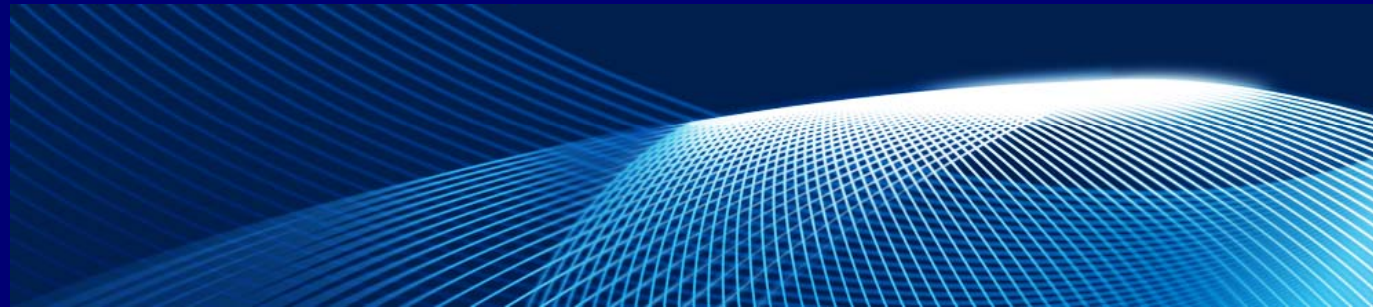
- As funding becomes costly there is an increased focus on Corporate Treasury
 - Treasury departments now receive Board Level focus
 - corporations are looking to consolidation of their banking relationships
 - a focus on having relationships with fewer banks with multi-product relationships
 - a focus on names you can trust to support them you through the current financial environment and lead the way with investments for the future
 - efficiencies are imperative for FIs and Corporates from Cash Management solutions

- Where are some of the key areas Deutsche Bank is focusing its strategic Transaction Banking investments?
 - Liquidity Management
 - FI Treasury Workstations
 - Foreign Exchange
 - Supply Chain Solutions

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How Deutsche Bank is preparing for the future

Key focus areas for GTB product development, innovation
and investment



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Liquidity Management

2009/10 focuses

- Automated investment options
 - Expanded Investment vehicle selection
 - AAA rated investment options & Higher yield paying investments
 - Link for active client Investments - term-deposits, FX deals, etc
-
- 3rd party bank cash concentration
 - Extended regional coverage of Cash Concentration functionality
 - Extended intra-day Cash Concentration functionality
 - Introduce cross-currency services
 - Extended automated interest posting
 - Multi-currency and multi-legal entity Notional Pooling (EU)
-
- Daily interest calc. and processing
 - Daily investment and interest reporting
 - Global consolidated client reporting
 - Improved customer reporting
 - Redesign Static Data front-end tool and related workflows



Treasury Bank



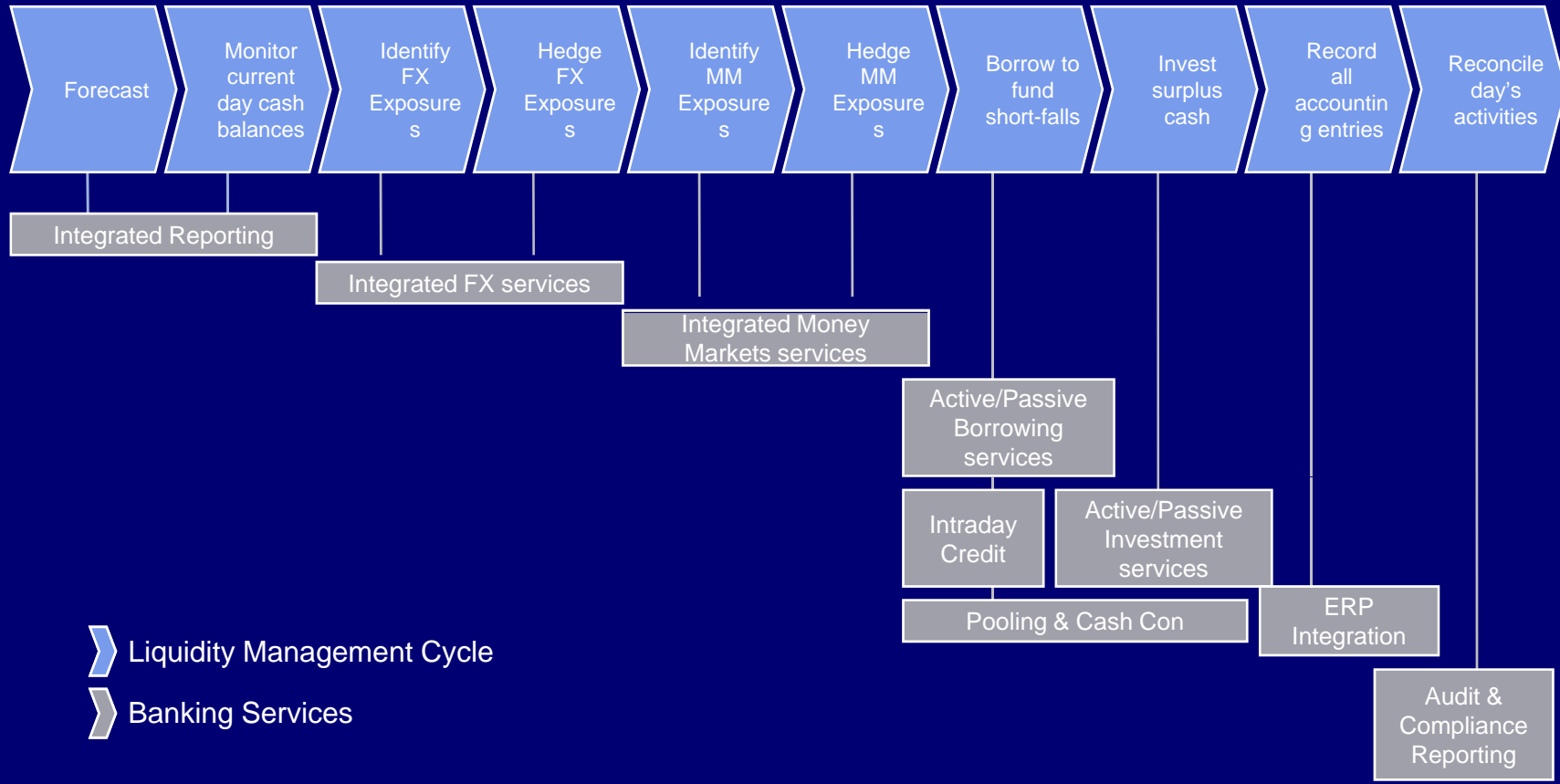
Investments



Infrastructural
Harmonization

Liquidity Management

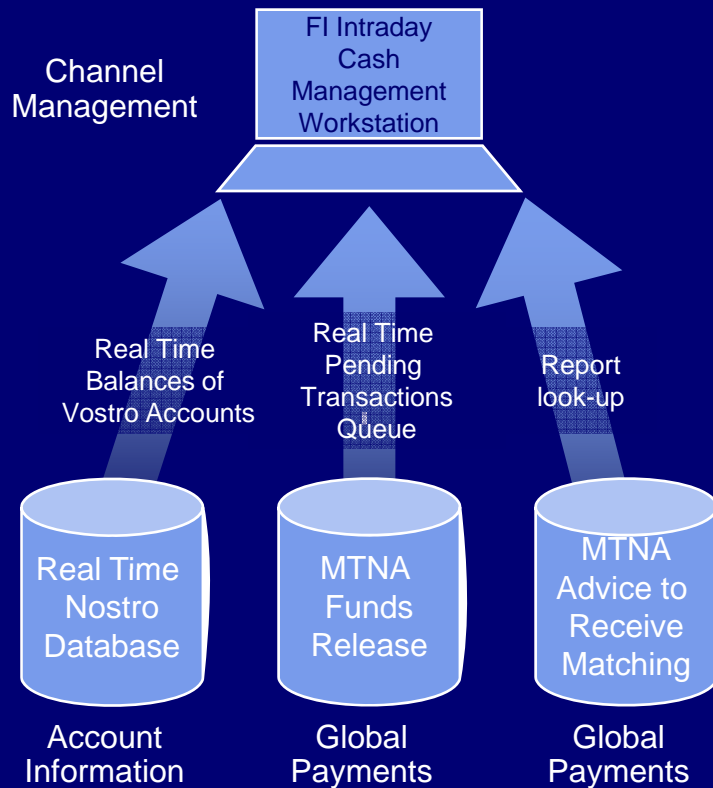
“Provide an integrated service offering across the client liquidity management cycle”



FI Treasurer – Development 2009 – Phase 1

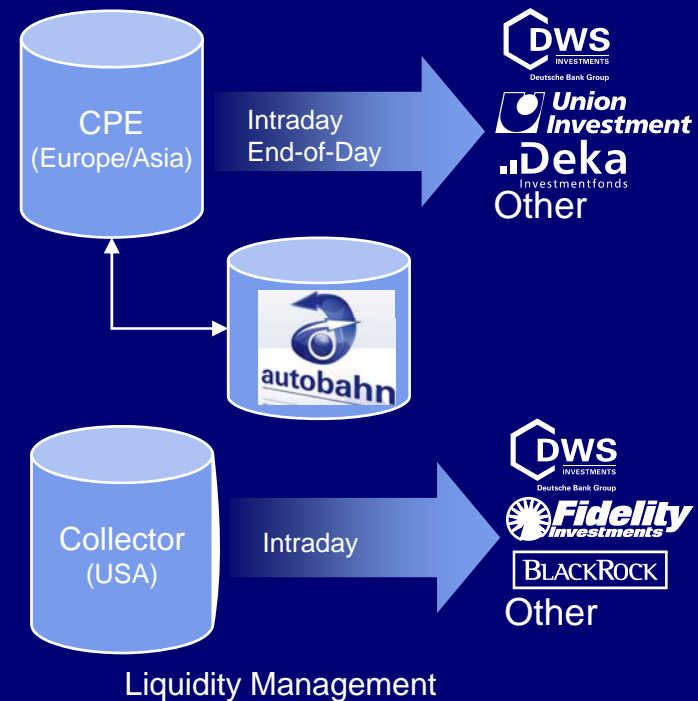
FI Workstation: Phase 1

- Provide real-time front-end information feeds
- Provide 'Pending Transactions' information
- Provide Advice matching



Liquidity: Phase 1

- Establish Intraday & End-of-Day investments
- Establish link into Investment Tools
- Upgrade feature functionality & daily reporting



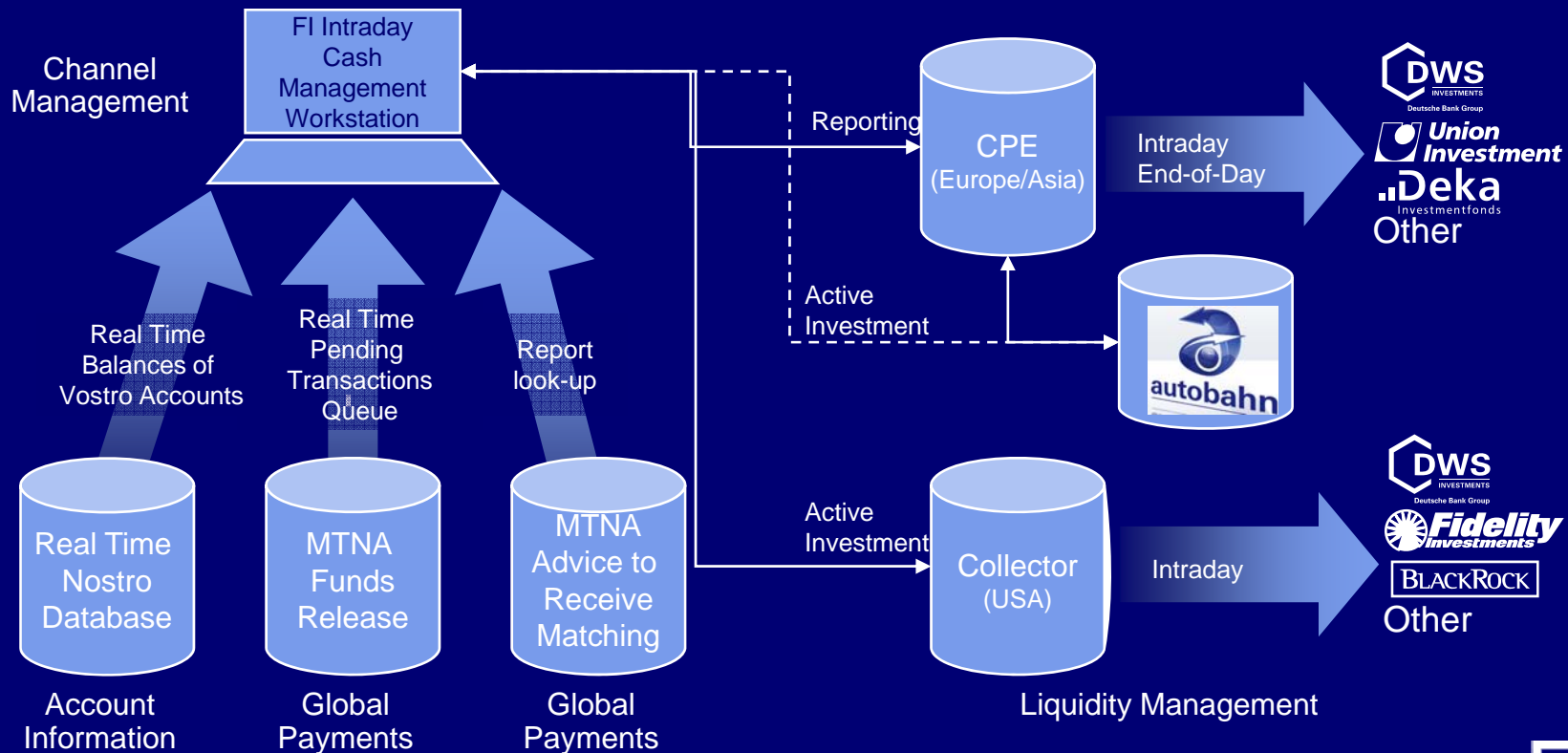
FI Treasurer – Development 2010 – Phase 2

FI Workstation: Phase 2

- Establish active investments
- Initiate Intraday investment transactions
- Receive investment/transaction reporting

Liquidity: Phase 2

- Provide front-end for active client investment
- Link Liquidity tools into FI workstation/front-end
- Allow active intraday investments in new regions



Foreign Exchange – FX4Cash

Cross Currency Solutions End to End

- FX4Cash is a multi-million euro investment by Deutsche Bank
- DB leveraging its global Number 1 position in terms of FX market share and leading position in cash management to cross currency payments our clients FX payments
- Increasingly, clients require greater rate transparency and operational efficiencies

- From a single account, FX4Cash offers clients
 - foreign currency payments in over 70 currencies - Wire, Cheque, or ACH payment
 - pre-deal option whereby clients can make a real-time trade and link with subsequent payments
 - comprehensive trade reports to support accounts payable/receivable reconciliation

- Development of the FX4Cash product will make the FX market easier, more efficient, more transparent and automated for our clients

- Further enhancements to the product will include
 - active Intermediary (actively convert to local currency using artificial intelligence)
 - additional Funding Locations
 - automated transaction billing
 - deduction capabilities
 - rebate processing
 - improved MIS

db supply chain solutions

Financial supply chain management

- The db SupplierFinance area is a solution set designed to address Corporate's needs for fully integrated Financial Supply Chain Management solutions
- It provides excellent benefits to our corporate clients in terms of
 - improved payment terms/pricing
 - enhanced working capital effectiveness
 - integrated accounts payable process
 - fully automated end-to-end web-based process
- This is an efficient shift from a simple payment from supplier to client
- db Supplier Finance moves away from the pure payments model to a new paradigm where financial supply chain links together all players with a single product
- It integrally links the cash management of each firm in the chain
- Development will adapt to client's needs, their relationships with suppliers and markets
- It will develop further as it enhances end-to-end value in the financial supply chain
- This offering is an integral pillar of our product strategy which will only grow stronger

Summary and conclusions?

- Clients need a strong, trusted partner in the storm
- Continued investment in efficiencies are required to stay competitive
- Banks with scale and footprint will be able to spend and keep up with innovation
- Banks with independence from governments have more flexibility to invest where markets and clients dictate

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