

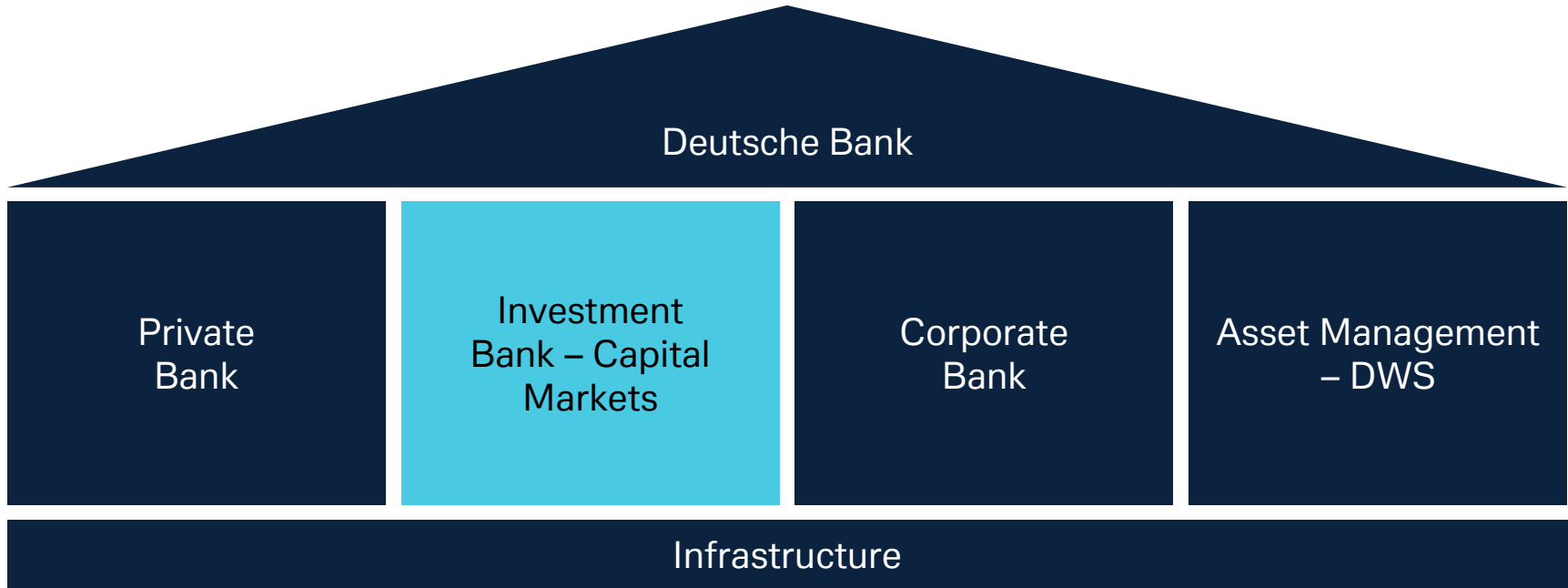


Banking Fundamentals

# Module 3: Investment Bank – capital markets

#PositiveImpact

# The corporate divisions of Deutsche Bank

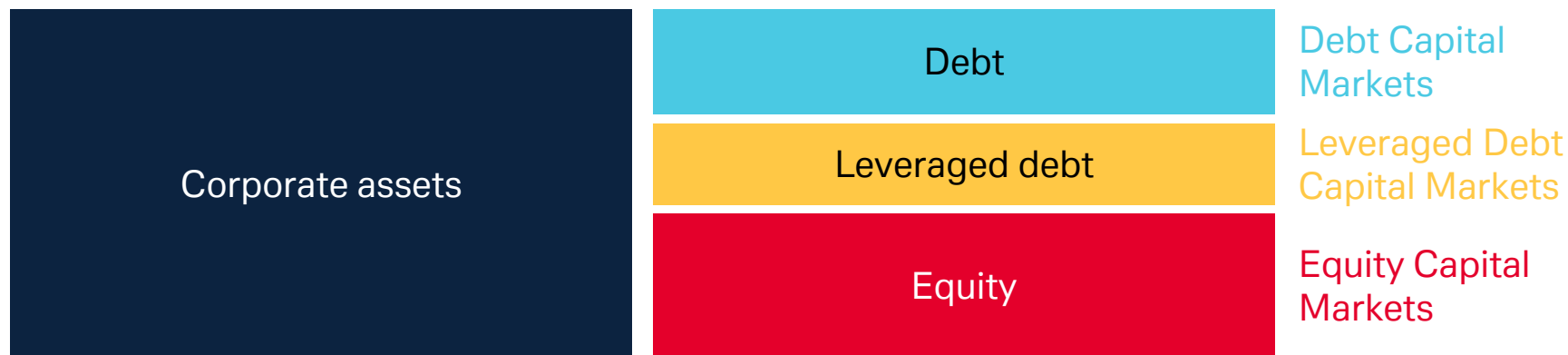


# Capital Markets



The Capital Markets groups within Origination and Advisory help raise/issue equity and debt

- Corporate clients
- Institutional clients.



# Activity – Equity and debt



From the corporate client's point of view what are the dynamics of each form of capital?

Assets	Debt	Risk	Cost	Control	Maturity
		High/ Low	High/ Low	No control/ Control	Long/ Short
Assets	Equity	High/ Low	High/ Low	No control/ Control	Long/ Short
		High/ Low	High/ Low	No control/ Control	Long/ Short

# Group activity – Deutsche Bank equity quiz



Question	Answer
What is the current share price?	
What is the 52 week share price high?	
What is the beta of the share?	
What is the market capitalisation?	
What rating does S&P give Deutsche Bank?	
What percentage of analysts are recommending either buy or hold on DB's shares?	
What is the 12-month total return?	

# Bloomberg Security Description screen



# Bloomberg Credit Profile screen



DBK GR € ↓ 11.04 +0.084 S11.034/11.058S 3173x3166		
At 20:45 d Vol 13,731,945 0 10.92M H 11.08Y L 10.70Y Val 149.932M		
DBK GR Equity	Company Tree Ratings ▾	Alert
Deutsche Bank AG		
Page 1/4 Credit Profile		
1) Bloomberg Default Risk   DRSK »		
Moody's		
2) Issuer Rating	A3 **	
3) Hypotheken Pfandbriefe	Aaa	
4) Foreign LT Bank Deposits	A3 **	
5) Local LT Bank Deposits	A3 **	
6) Senior Unsecured Debt	A3 **	
7) Subordinated Debt	Ba2 **	
8) Preferred Stock	B1 (hyb) **	
9) Bank Financial Strength	WR	
10) Short Term	P-2 **	
11) LT Counterparty Risk Assessment	A3(cr) **	
12) ST Counterparty Risk Assessment	P-2(cr) **	
13) ST Bank Deposits (Foreign)	P-2 **	
14) ST Bank Deposits (Domestic)	P-2 **	
15) Baseline Credit Assessment	ba1 **	
16) Adj Baseline Credit Assessment	ba1 **	
Moody's (Continued)		
17) Sr Senior Unsecured Debt	WR	
18) Jr Senior Unsecured Debt	Baa3 **	
19) LT Counterparty Risk Rating (...)	A3 **	
20) LT Counterparty Risk Rating (...)	A3 **	
21) ST Counterparty Risk Rating (...)	P-2 **	
22) ST Counterparty Risk Rating (...)	P-2 **	
Standard & Poor's		
23) Outlook	POS	
24) LT Foreign Issuer Credit	BBB+	
25) LT Local Issuer Credit	BBB+	
26) ST Foreign Issuer Credit	A-2	
27) ST Local Issuer Credit	A-2	
S&P National		
29) Natl LT Issuer Credit	trAAA	
30) Natl ST Issuer Credit	trA-1+	

# Bloomberg Analyst Recommendation screen





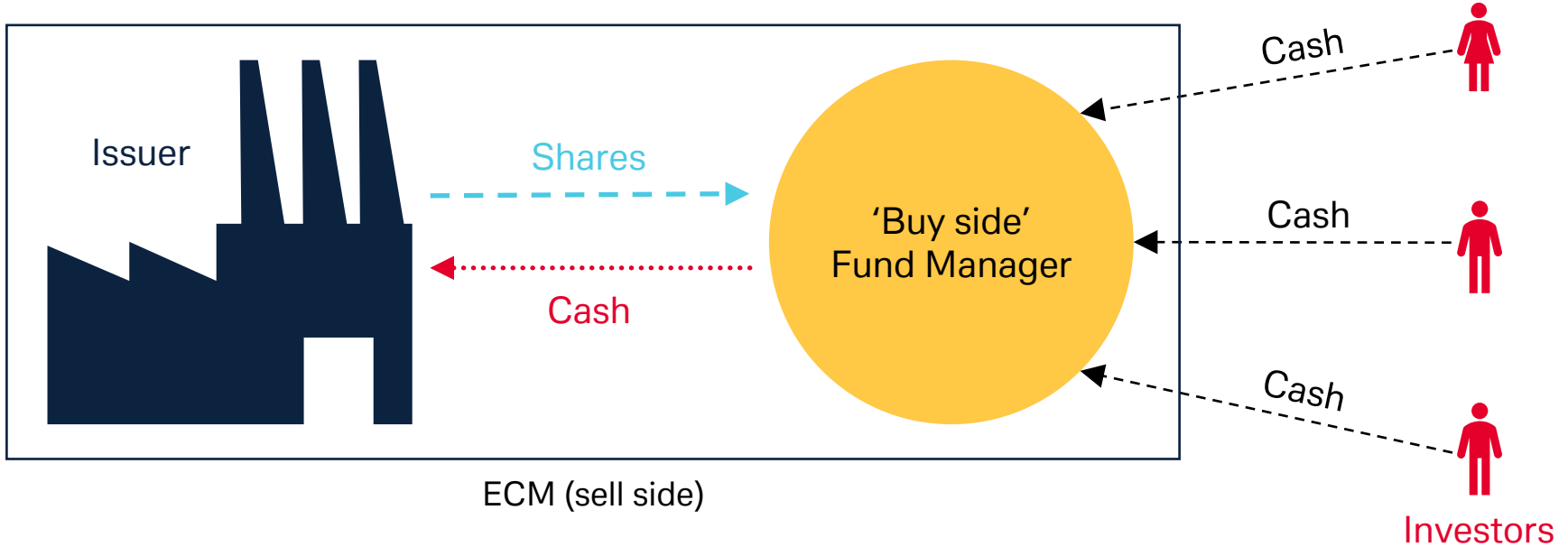
# Equity capital markets



What products and solutions does ECM provide to clients?

Product	What is it and what client need does it meet?
IPOs	
Follow on offerings	
Rights issues	
Block trade	
Accelerated book building	
Convertible and exchangeable bonds	

# Issuing equity



# Activity – IPOs

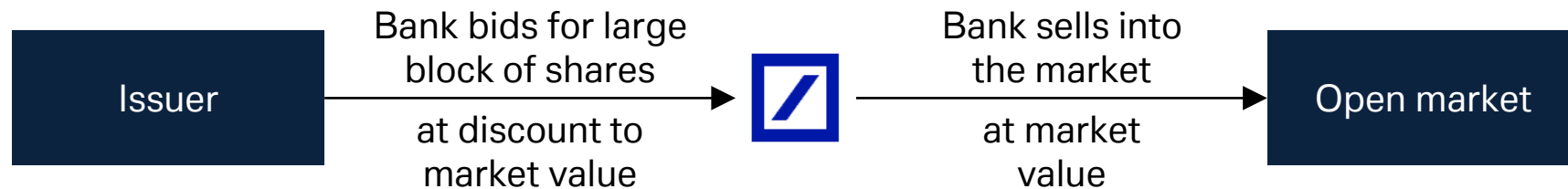


IPO	Rank (1 – 6)	DB involved?
General Motors		Yes/No
Industrial and Commercial Bank of China		Yes/No
Agricultural Bank of China		Yes/No
Alibaba Group		Yes/No
American International Assurance		Yes/No
SoftBank Group		Yes/No

# Block trade and accelerated book builds



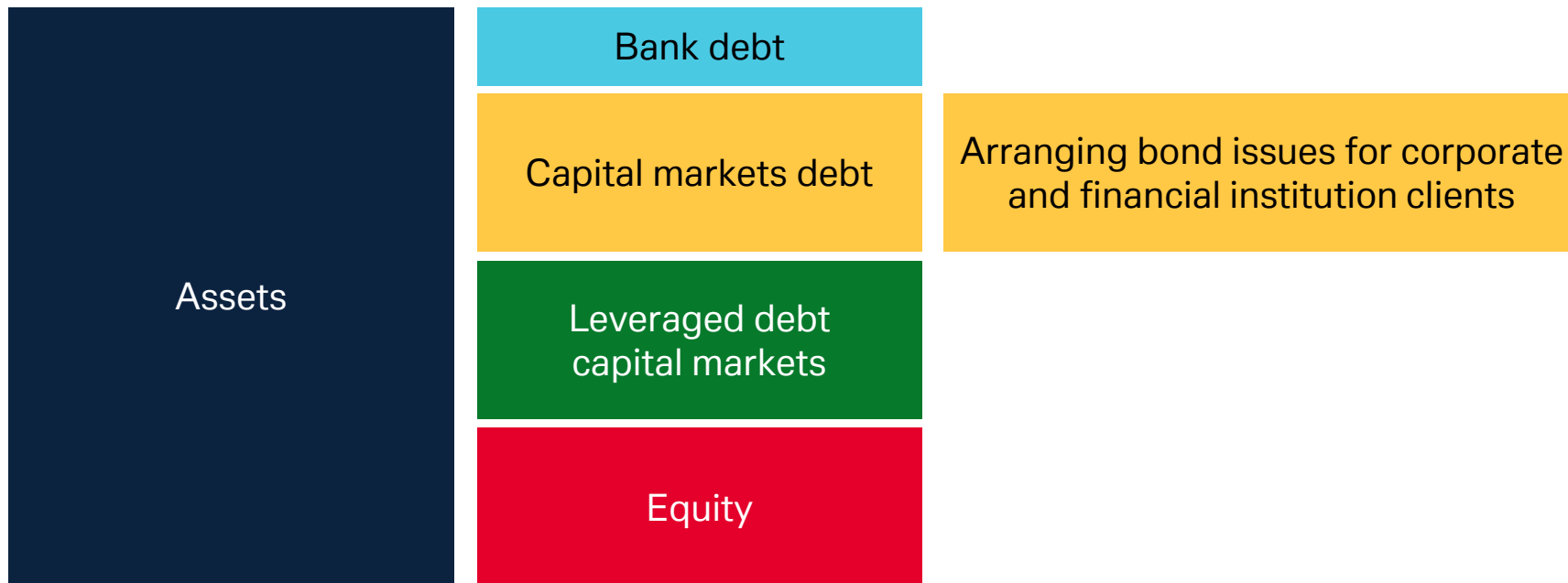
## Block trade



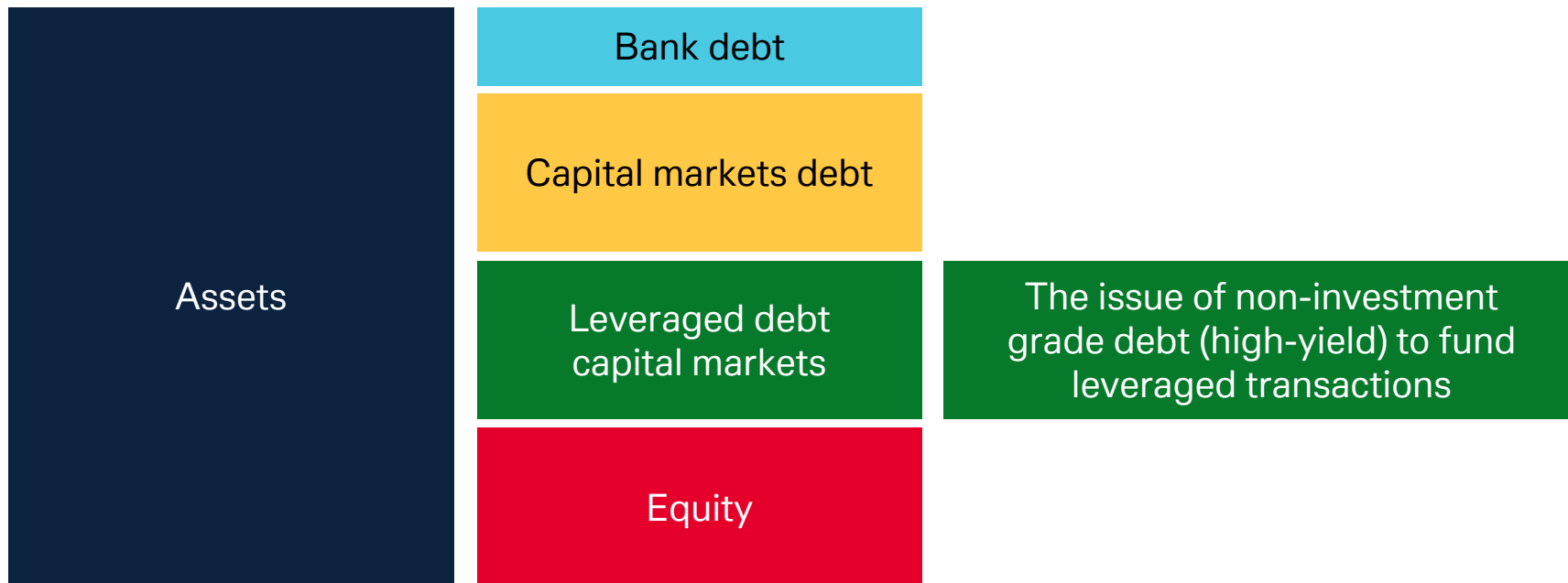
## Accelerated book-build



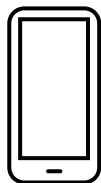
# Debt capital markets – investment grade



# Debt capital markets – sub investment grade

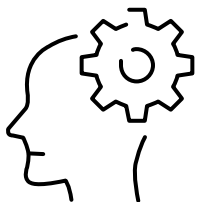
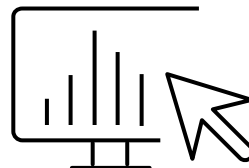


# Kahoot quiz – Capital Markets



You will need a **smartphone** for this activity

You will need to go to [www.kahoot.it](https://www.kahoot.it) to access the quiz



There will be **10** questions.



# Activity – The Roadshow (storyboard)



In your ECM team, storyboard a short film of between 60 - 90 seconds (which you will produce tomorrow) promoting Deutsche Bank to potential equity investors.

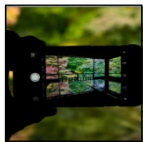
- You will need to convey why Deutsche Bank is a compelling investment
- Plan to make your film creative and interesting using the wide range of talent in your team
- You will have time tomorrow to produce your film
- Investors will be able to allocate their capital to the most compelling film.



# How to produce a film

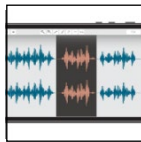


## Roles, responsibilities and tips for impactful filmmaking



### Camera operator

- Shoot in landscape mode
- Shoot medium to low res
- Keep your shots interesting



### Sound operator

- Monitoring audibility
- Shoot either closer to the on-screen talent or ask them to speak louder



### Director

- Communicate the storyboard with impact
- Direct the camera operator and on-screen talent



### Producer

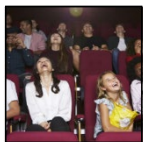
- Project manage the completion of the film within the time constraints
- Deliver to client specification



### Location, costume and props

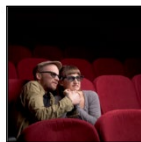
- Elevate the film visually using any or all of the above

## Genres, styles and approaches you could adopt when creating your film



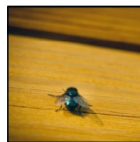
### Comedy

- If you can make someone laugh you make them remember, however comedy is subjective so be sensitive and mindful



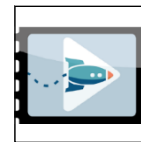
### Drama

- If you make your audience feel an emotion then they care more, great for emotional memory



### Fly on the wall

- Documentary/observational footage is a great way of capturing truth and demonstrates authenticity, great if you don't want to act



### Animation

- Is a great creative way to show an audience something visual free from actors



### News flash/interview

- A great vehicle to communicate lots of information and stories

# The storyboard – what to put on the storyboard



PROJECT NAME *The problem*

Scene duration: *10s*



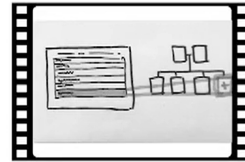
*Two people around a computer*

Scene duration: *10s*



*Zoom on screen to see error window*

Scene duration: *12s*



*Process chart showing problem*

Scene duration: *8s*



*IT assistance going to different floor*

Scene duration: *8s*



*Resolution found*

Scene duration: *12s*



*New process chart*