



# Private & Business Clients

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*Passion to Perform*

Investor Day, Frankfurt, 12 September 2012

# PBC – A sizeable international franchise



## Key facts<sup>(1)</sup>

- Leading retail bank in Germany and international network in seven countries
- ~28.5 million clients
- EUR 561 bn Client Business Volume<sup>(2)</sup>
- ~2,900 branches
- ~41,900 employees (FTE)
- Complemented by >9,000 mobile sales force advisors

Note: Client Business Volume = Invested assets, sight deposits and loans, FTE = Full Time Equivalent

(1) As of 30 Jun 2012

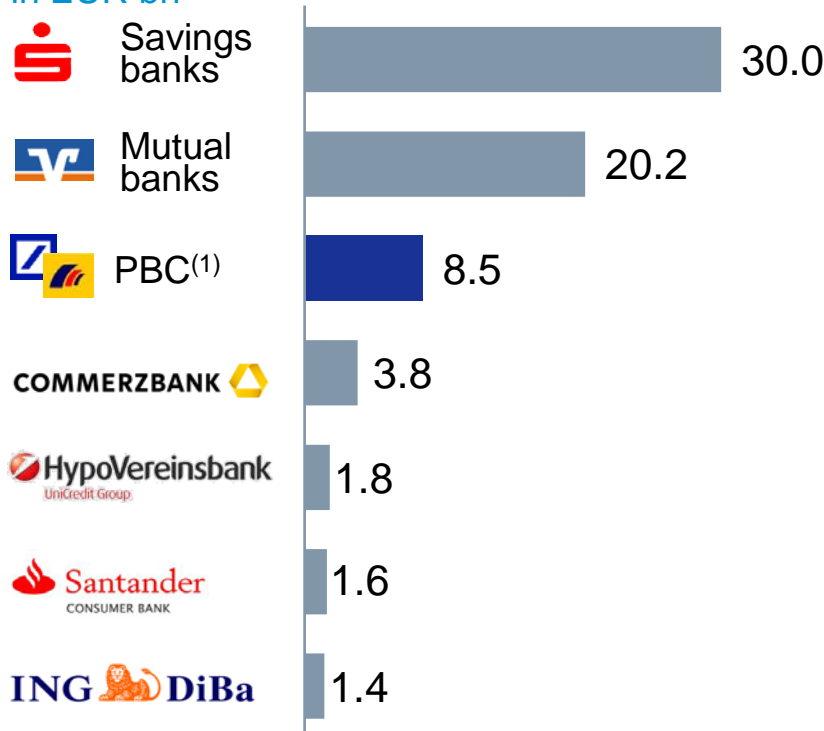
(2) Indicative, after re-segmentation of non-core portfolios into Non-Core Operations unit



# Strong market position in Germany and amongst European peers

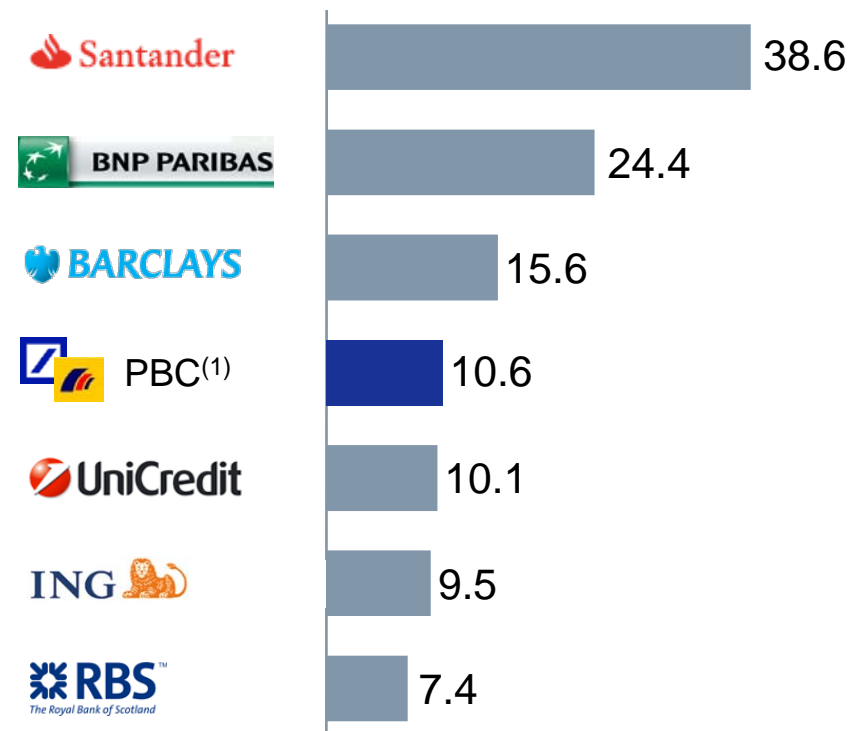
## Strong home market position

Revenues, Retail segment Germany, FY2011, in EUR bn



## Sizeable European player

Revenues, Retail segment, FY2011, in EUR bn



Note: BNP Paribas: Retail Banking (according to disclosure with 2/3 of Private Banking); Santander: Retail Banking; Barclays: Retail & Business Banking (quarterly weighted FX rate); UniCredit: F&SME Europe; ING: Retail Banking; RBS: Retail UK & Ulster Bank; Savings banks: 426 in 2011; Mutual banks: 1121 in 2011. European peers selection based on business review of top 50 banks according to the following criteria: European target markets and strategic positioning, business model, fit to PBC's strategic agenda, data availability/reporting

(1) Indicative, after re-segmentation of non-core portfolios into Non-Core Operations unit

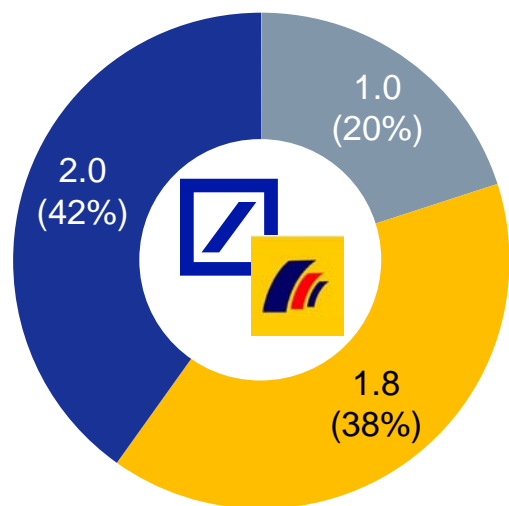
# Well diversified franchise along several dimensions



## Revenues by proposition

Revenues<sup>(1)</sup>, 1H2012, in EUR bn

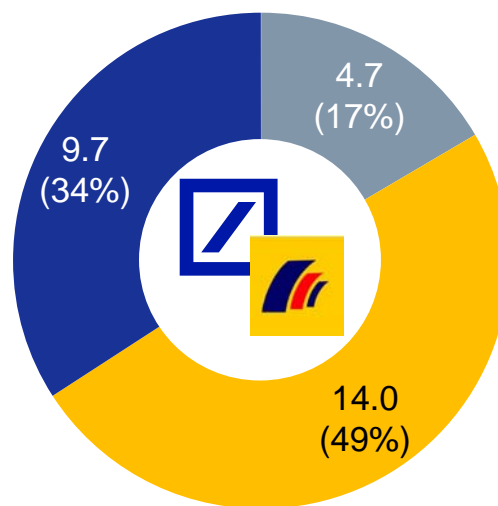
- AB Germany
- AB International
- CB Germany



Total: EUR 4.7 bn

## Clients by proposition

Number of clients, 30 Jun 2012, in million

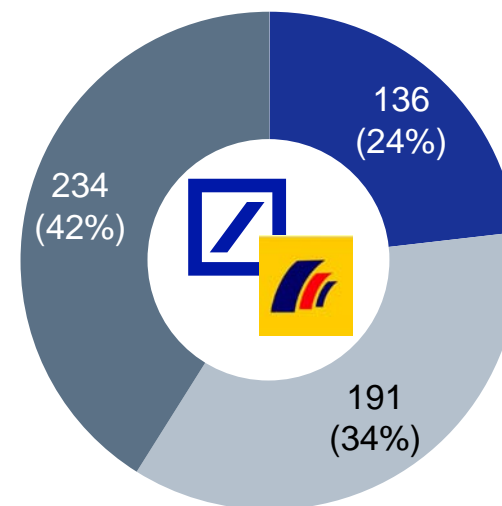


Total: 28.5 m

## Business volume by product

Client Business Volume<sup>(1)</sup>, 30 Jun 2012, in EUR bn

- Deposits and payments
- Investment and insurance products
- Credit products



Total: EUR 561 bn

Note: Figures may not add up due to rounding  
 (1) Indicative, after re-segmentation of non-core portfolios into Non-Core Operations unit

# Retail banking trends impacting PBC's business



## Interest rate environment

- Historic low in ECB interest rates negatively impacts deposit margins
- Postbank affected by low return on excess liquidity from de-risking
- 'War for deposits' in Southern European countries

## Macro market environment

- Significantly lower client investment and brokerage activity
- Muted outlook for countries affected by EU sovereign debt crisis
- Balanced funding requirements for foreign businesses

## Regulatory requirements

- Higher costs from bank regulation
- Increasing focus on consumer protection (e.g., documentation)
- Stricter capital requirements under Basel 3



# We proactively responded to these trends

## Interest rate environment

- Strengthening of German credit business
- Margin expansion, esp. outside Germany
- Benefiting from pro-active hedging activities

## Macro market environment

- Strengthening of customer-centric business model
- Adjust European business to EU sovereign debt crisis; closure of funding gap
- De-risking of non-core portfolio of Postbank<sup>(1)</sup>

## Regulatory requirements

- Standardization of documentation and processes
- Focus on customer suitability and customer value creation
- Improvement of capital efficiency

Building a highly efficient platform (Magellan)

Business portfolio alignment (Powerhouse)

(1) Partially re-segmented into Non-Core Operations unit

# Postbank integration: Phase 1 successfully completed



## Phase 1: Laying the foundation of Powerhouse

until  
30 June 2012

### Business portfolio

- Successful total RWA equivalent reduction of EUR 25 bn at Postbank<sup>(1)</sup>
- norisbank focused on pure direct bank model, branches closed
- Postbank Asset Management sold to DWS, EUR 8 bn volume transferred (closing 3Q)
- Postbank investment advisory mobile sales model discontinued



### Platform alignment (Magellan)

- Target picture of joint services and IT platform defined
- SAP Banking roll-out started – first Magellan release 'Savings DB' delivered
- Partial Balances of Interests finalized
- Full end-to-end process model defined



### Governance & steering / risk model

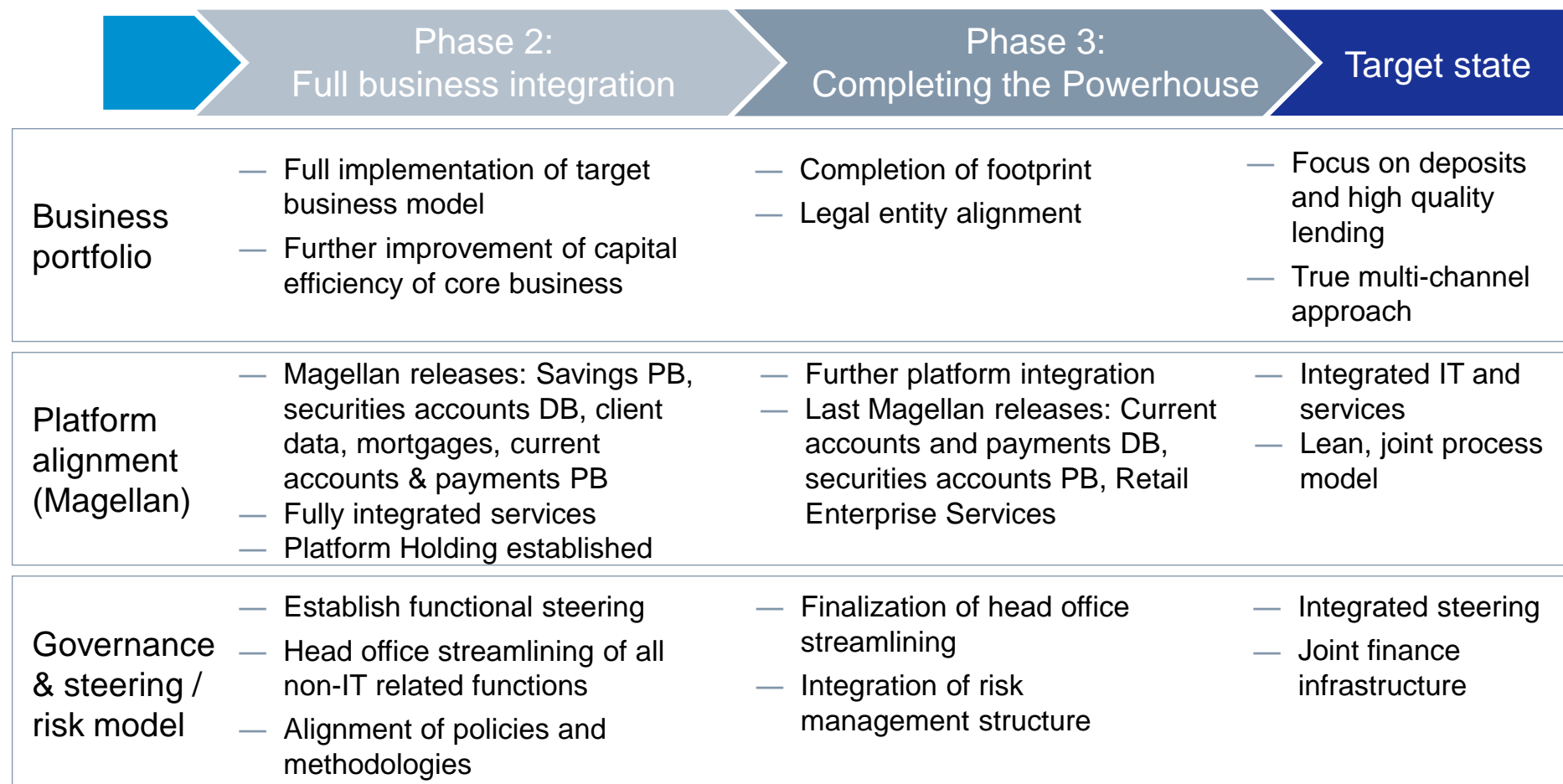
- Domination and profit & loss transfer agreement registered, Postbank stake at 94.1%<sup>(2)</sup>
- Core policies and reporting aligned
- Management changes at Postbank smoothly implemented
- Joint project organization successfully set up



(1) 30 June 2010 figures reflect Postbank stand-alone, 30 June 2012 as part of Deutsche Bank consolidated; before re-segmentation of non-core portfolios into Non-Core Operations unit

(2) As of 5 September 2012

# Postbank integration: Next steps







# 'Magellan' – Efficiency driver and enabler for proposition growth

Go live  
1<sup>st</sup> release  
July 2012



**magellan**

Magellan is the new joint services and IT platform of Private & Business Clients

## Magellan structure



magellan core

A modern & well architected **technology platform**



magellan solutions

Standardized **products** and integrated **services**



magellan face

Innovative and easy-to-use **frontend tools** and **channels**



magellan flow

Straight-through **processes** (end-to-end)

## Benefits and targets

- Newest SAP release/1<sup>st</sup> EU Bank with purely standard infrastructure
- Legacy decommissioning
- x.86 for best-of-class infrastructure

- Standardized processing and sales products
- Reduced time-to-market
- Lower cost to serve

- 360° customer overview
- State-of-the-art multi-channel experience
- Mobile/electronic payment solution

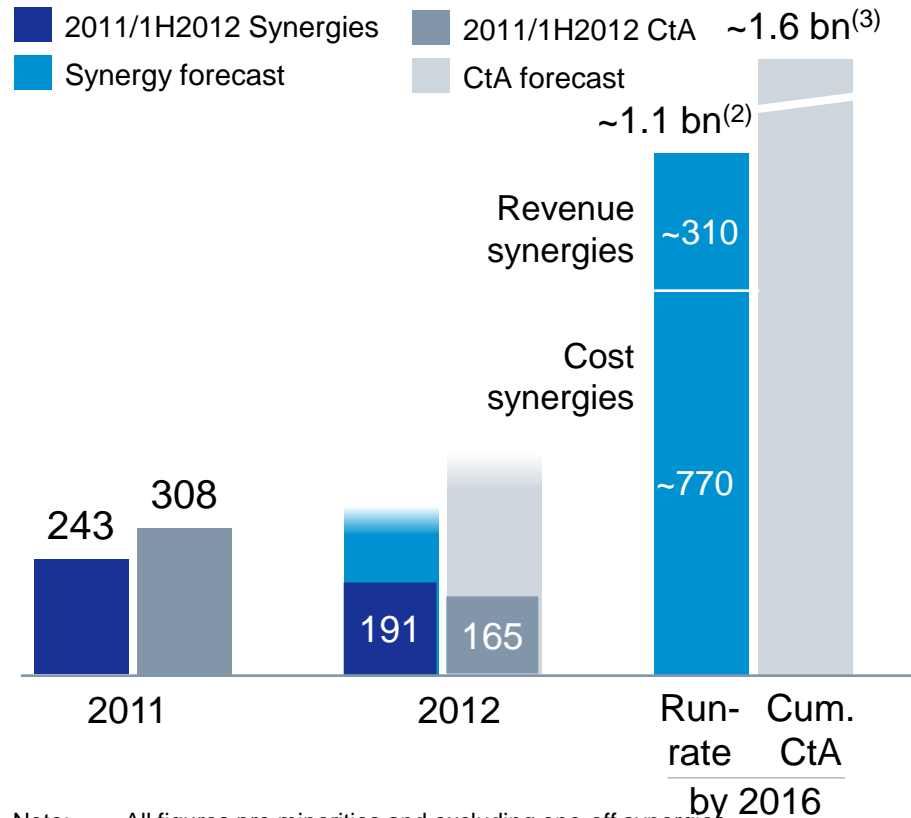
- Efficiency gains
- Higher degree of automation
- Less administrative activities in branches and economies of scale



# Postbank integration well on track

## Synergy delivery vs. Cost-to-Achieve (CtA)<sup>(1)</sup> Summary

In EUR m



Note: All figures pre minorities and excluding one-off synergies

(1) Indicative, before re-segmentation of non-core portfolios into Non-Core Operations unit

(2) Thereof EUR ~0.5 bn included in Operational Excellence 2013-2015

(3) Thereof EUR ~0.8 bn included in Operational Excellence 2013-2015, thereof EUR ~0.5 bn PBC direct costs

- Synergy and CtA targets increased vis-à-vis original plan at stable CtA-to-synergy-ratio
- Full substantiation with detailed measures
- Magellan platform as key enabler accounting for approx. 60% of synergies

## Key achievements 2012

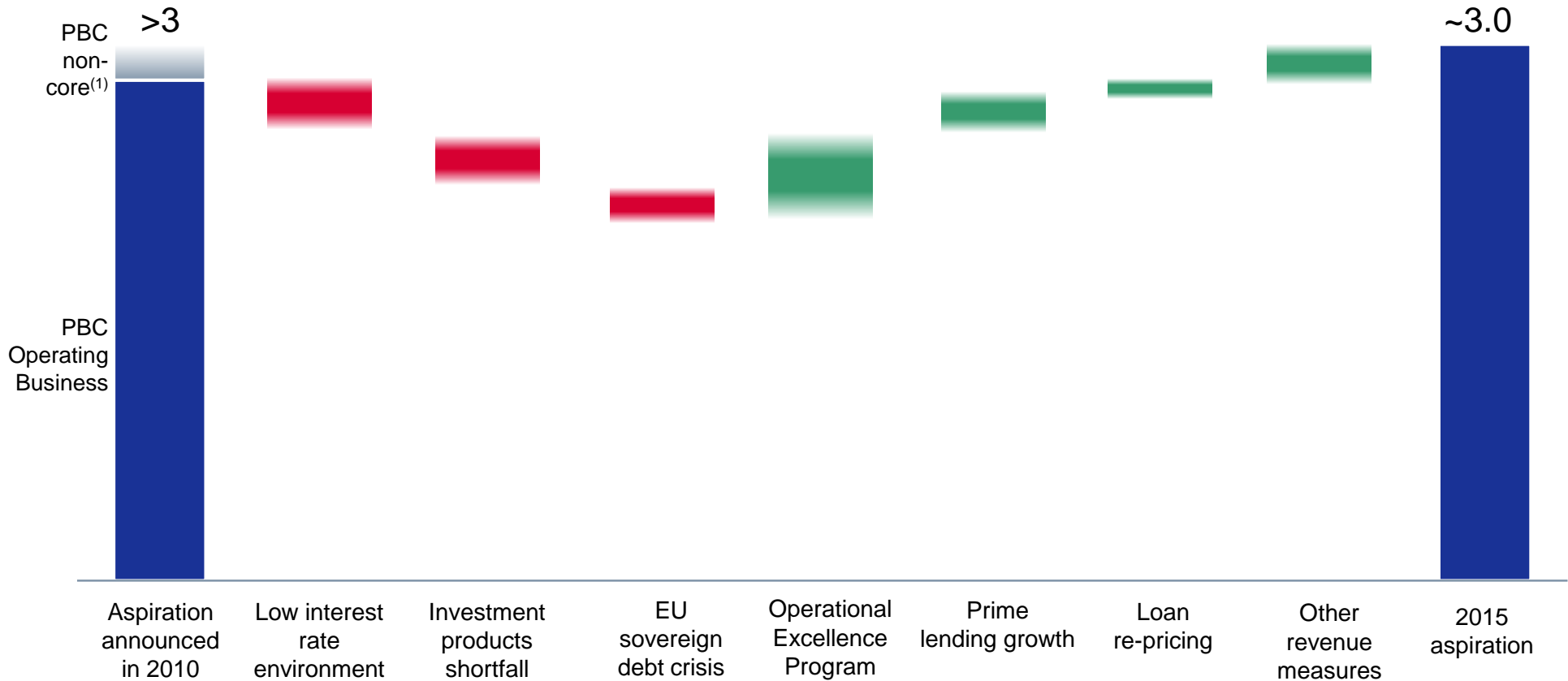
- Revenue:
  - Focus on credit growth, esp. in home loans
  - Optimization of retail and corporate deposits
  - Successful cooperation in investment funds
- Costs:
  - Sourcing synergies
  - Decommissioning of 'Savings' application
  - First services alignment measures



# PBC aspires to deliver EUR ~3.0 bn IBIT despite market challenges

IBIT, in EUR bn

ILLUSTRATIVE



(1) Non-core portfolios to be re-segmented into Non-Core Operations unit

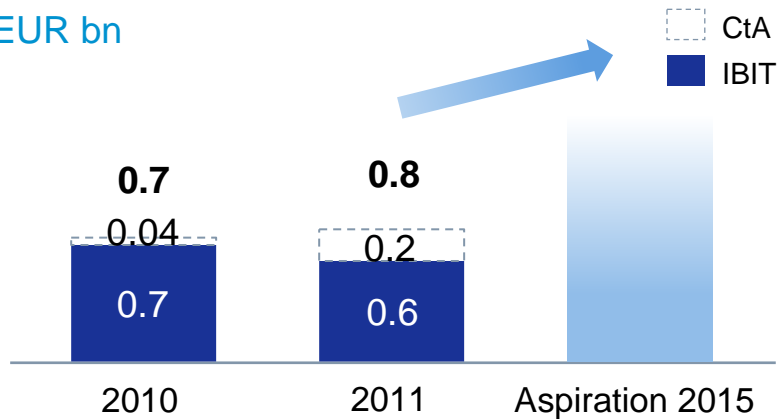


# Advisory Banking Germany: Realigned towards a new business model



## Income before income taxes

In EUR bn



## Past achievements

- Market leader in non-standard mortgage solutions, EUR 10 bn new business volume in 2011
- Successful deposit campaign raising EUR 8 bn fresh money in 2011
- Implementation of new customer-centric advisory model
- Introduction of responsible banking product code
- Increased customer-facing time by transfer of administrative tasks into middle-office

## Outlook

- Growth especially in credit products with focus on mortgages
- Maintain risk discipline and underwriting standards
- Further reduce costs by Magellan implementation
- Improve customer related advisory processes

	FY2011	Outlook 2015
Revenues <sup>(1)</sup>	EUR 3.9 bn	➔
CLPs	EUR 0.3 bn	➔
Costs <sup>(1)</sup>	EUR 2.9 bn	➔

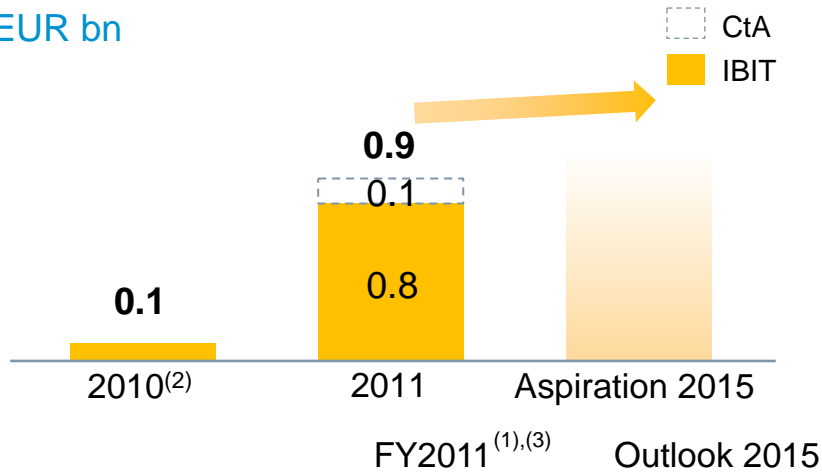
Note: Figures may not add up due to rounding  
 (1) Revenues excl. EUR (1) m CtA; costs excl. EUR (179) m CtA



# Consumer Banking Germany: Strong operating performance, de-risking well under way

## Income before income taxes<sup>(1)</sup>

In EUR bn



## Past achievements

- Resilient revenues throughout integration
- > 5 m private current accounts, 7 m direct banking clients with strong increase of product sales
- Strong mortgage sales of EUR 8.2 bn<sup>(6)</sup> in 2011
- Execution in business alignment (e.g., norisbank, PB Asset Mgmt.)
- Progress in de-risking (EUR 25 bn RWA equivalents reduced since 1H2010<sup>(7)</sup>)

## Outlook

- Revenues impacted by decreasing PPA effect and lower revenues from postal business; revenues from customer business projected to grow
- Increase product cooperation (e.g., home loans and savings)
- Further improvement of capital efficiency
- Reduce costs by organizational/business alignment and integration of platform

	FY2011 <sup>(1),(3)</sup>	Outlook 2015
Adj. Revenues <sup>(4)</sup>	EUR 4.3 bn	→
Adj. CLPs <sup>(4)</sup>	EUR 0.3 bn	→
Costs <sup>(5)</sup>	EUR 2.9 bn	→

(1) Indicative, after re-segmentation of non-core portfolios into Non-Core Operations unit

(2) Full consolidation as of 12/2010; before re-segmentation into Non-Core Operations unit

(3) All figures pre minorities

(4) Adjusted for the impact of releases of certain allowances which were established by Postbank prior to change of control and are reported as net interest income, as reflected in Deutsche Bank's Financial Data Supplements

(5) Excl. CtA of EUR (102) m post minorities

(6) New business volume

(7) 30 June 2010 figures reflect Postbank stand-alone;

30 June 2012 as part of Deutsche Bank consolidated; before re-segmentation of non-core portfolios into Non-Core Operations unit

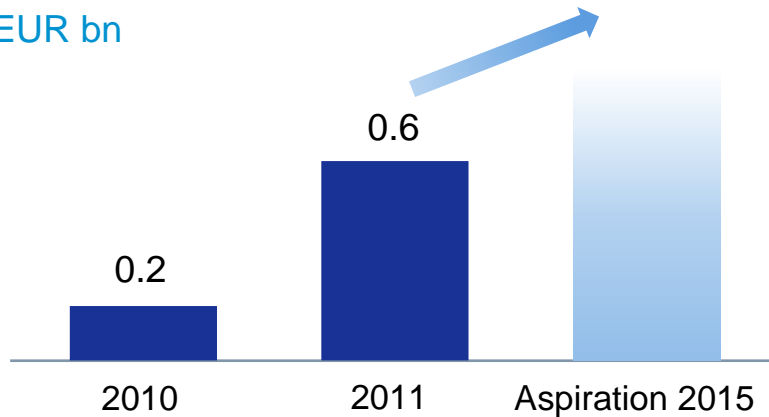


# Advisory Banking International: Further optimizing our franchise



## Income before income taxes<sup>(1)</sup>

In EUR bn



FY2011<sup>(1)</sup>

Outlook 2015

Revenues

EUR 2.0 bn



CLPs

EUR 0.2 bn



Costs

EUR 1.2 bn



(1) Indicative, after re-segmentation of non-core portfolios into Non-Core Operations unit

(2) Excl. CtA

## Past achievements

- Completion of turn-around
- Good performance in all countries despite difficult macro-economic environment
- Sales and operational efficiency improved
- Loan re-pricing and margin expansion; local funding gap in IT, ES, PT significantly reduced through mortgage securitizations and deposit campaigns
- Synergies from pan-European projects (e.g., sales monitoring, direct banking)

## Outlook

- Focused growth in sweet spots with affluent clients
- Maintain risk discipline and low CLP levels
- Reduce costs by roll-out of Target Operating Model/Magellan in Europe



# AB International: Expand strategic partnership with HuaXia Bank

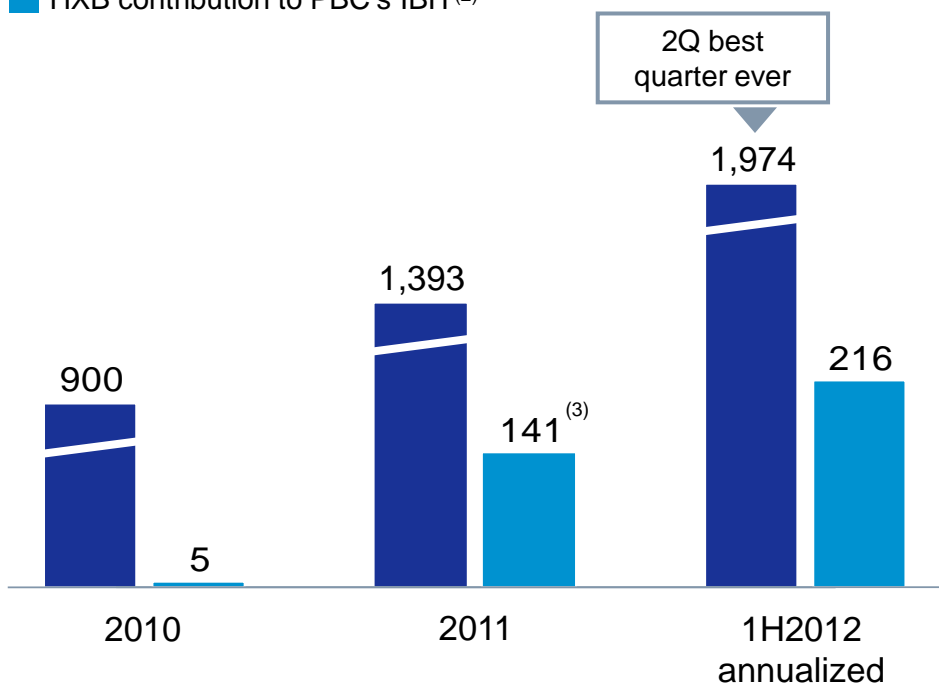


## HuaXia Bank (HXB) performance

### In EUR m

■ HXB IBIT<sup>(1)</sup>

■ HXB contribution to PBC's IBIT<sup>(2)</sup>



- (1) HXB stand-alone results based on annual report information in CNY prepared under Chinese GAAP, converted into Euro based on periodic average CNY/EUR exchange rate
- (2) Partial contribution of HXB net income less funding costs and intangible amortization, excl. effects from credit card cooperation
- (3) Excl. EUR 263 m one-off effect from switch to equity method accounting
- (4) As of 30 June 2012
- (5) Regulatory maximum in China

## HXB key figures

- 14th largest bank in China based on total assets
- National banking license with 437 outlets in 68 cities<sup>(4)</sup>, mostly tier 1 & 2
- Focus on middle income retail and SME/ corporate clients: ~10 m (mass-) affluent and ~400 k SME/corporate clients

## PBC / HXB strategy

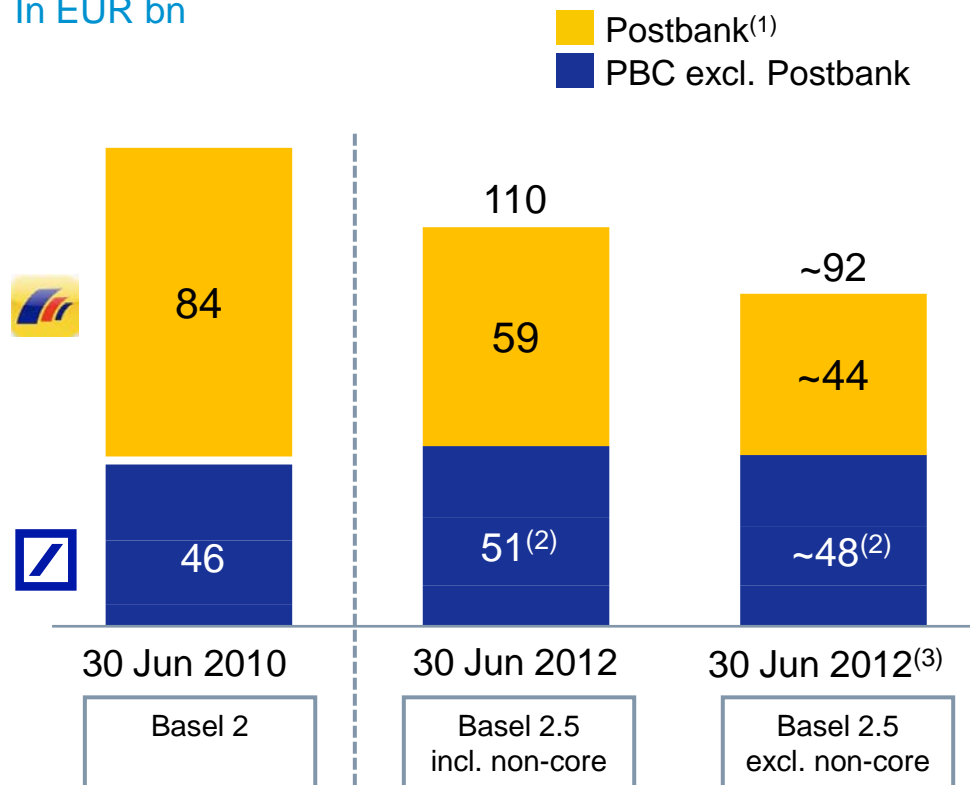
- DB is 2<sup>nd</sup> largest shareholder with 19.99%<sup>(5)</sup> stake
- Close cooperation as strategic partners
- Support HXB through transfer of knowledge and joint projects
- Participate in highly attractive growth of Chinese retail/SME banking market

# PBC has delivered on capital demand reduction



## RWA equivalent reduction

In EUR bn



Note: RWA equivalents for PBC excl. Postbank include Group allocations of EUR 1.9 bn for 2012 and EUR 0.4 bn for 2010

(1) 30 June 2010 figures reflect Postbank stand-alone, 30 June 2012 as part of Deutsche Bank consolidated

(2) Incl. switch to equity method accounting of HuaXia Bank

(3) Indicative, after re-segmentation of non-core portfolios into Non-Core Operations unit

(4) Before re-segmentation of non-core portfolios into Non-Core Operations unit

## Measures

- Successful de-risking measures at Postbank, specifically reduction of non-core business, now being partially re-segmented into Non-Core Operations unit
- Postbank RWA equivalent reduction aspiration for 2013 already delivered by 30 June 2012<sup>(4)</sup>
- Efficient capital allocation in AB Germany – stable RWA equivalent despite strong volume growth
- Strict focus on high-quality profitable lending in Southern Europe
- Integration of Postbank in DB's risk models with positive effects on RWA equivalents
- Strengthen core business





# Key take-aways: PBC – Building a powerhouse while improving efficiency

## Where we are today

- Undisputed leadership in German retail banking
- Profitable and resilient international franchise despite crisis
- Smooth execution of integration without impacting ongoing business
- Significant contribution to stable funding profile of Deutsche Bank Group

## Where we aspire to be in 2015

- Amongst Europe's leading retail banks
- Strong advisory business in Germany and international sweet spots
- Focused, strong consumer banking business under Postbank brand
- Integrated platform and one end-to-end process model

## How will we get there

- Implementation of Phase 2 and 3 of our integration roadmap
- Roll-out of our European Target Operating Model and focused growth
- Leveraging relative strength to grow credit business at attractive margins
- Maintain strong position as deposit gatherer

# PBC's aspiration for 2015



Revenues of EUR >10 bn

Income before income taxes of EUR ~3.0 bn

Cost/income ratio of ~60%

Top 5 retail deposit taker in Europe



# Appendix

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Investor Day, Frankfurt, 12 September 2012

# Reconciliation of PBC key financials shown in presentation



SPLIT OPERATING vs. NON-CORE INDICATIVE

FY2011, in EUR bn

	Advisory Banking Germany			Consumer Banking Germany			Advisory Banking International			PBC Total		
	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business
Revenues <sup>(1)</sup>	3.9		3.9	4.2	(0.0)	4.3	2.1	0.1	2.0	10.2	0.0	10.2
Impact of certain PB releases				0.4		0.4				0.4	-	0.4
Reported Revenues	3.9		3.9	4.6	(0.0)	4.7	2.1	0.1	2.0	10.6	0.0	10.6
CLPs <sup>(1)</sup>	0.3		0.3	0.4	0.0	0.3	0.3	0.1	0.2	0.9	0.1	0.8
Impact of certain PB releases				0.4		0.4				0.4	-	0.4
Reported CLPs	0.3		0.3	0.8	0.0	0.7	0.3	0.1	0.2	1.3	0.1	1.2
Costs <sup>(2)</sup>	2.9		2.9	2.9	0.1	2.9	1.3	0.1	1.2	7.1	0.1	6.9
CtA	0.2		0.2	0.1		0.1			-	0.3	-	0.3
Reported Costs	3.0		3.0	3.0	0.1	3.0	1.3	0.1	1.2	7.3	0.1	7.2
IBIT <sup>(2)</sup>	0.8		0.8	0.7	(0.1)	0.9	0.6	(0.0)	0.6	2.1	(0.2)	2.2
CtA	0.2		0.2	0.1	-	0.1	-	-	-	0.3	-	0.3
Reported IBIT	0.6		0.6	0.6	(0.1)	0.8	0.6	(0.0)	0.6	1.8	(0.2)	2.0
CIR <sup>(1)(2)</sup>	74%		74%	69%	(2)ppt	68%	60%	(0)ppt	59%	69%	(1)ppt	68%
CIR reported	78%		78%	66%	(2)ppt	64%	60%	(0)ppt	59%	69%	(1)ppt	68%

Note: Figures may not add up due to rounding differences

(1) Adjusted for the impact of releases of certain allowances which were established by Postbank prior to change of control and are reported as net interest income, as reflected in Deutsche Bank's Financial Data Supplements

(2) Excluding CtA (post non-controlling interest)

# Reconciliation of PBC key financials shown in presentation



SPLIT OPERATING vs. NON-CORE INDICATIVE

## 1H2012, in EUR bn

	Advisory Banking Germany			Consumer Banking Germany			Advisory Banking International			PBC Total		
	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business
Revenues	2.0		2.0	2.0	0.1	1.8	1.0	0.0	1.0	4.9	0.2	4.7

## FY2010, in EUR bn

	Advisory Banking Germany			Consumer Banking Germany <sup>(1)</sup>			Advisory Banking International			PBC Total		
	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business	Total	Non-core operations	Operating business
IBIT	0.7		0.7	0.1		0.1	0.2	(0.1)	0.2	0.9	(0.1)	1.0

Note: Figures may not add up due to rounding differences

(1) Full consolidation as of 12/2010; before re-segmentation into Non-Core Operations unit



# Cautionary statements

This presentation 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 2012 under the heading “Risk Factors.” Copies of this document are readily available upon request or can be downloaded from [www.db.com/ir](http://www.db.com/ir).

This presentation also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation is not provided in this presentation, refer to the 2Q2012 Financial Data Supplement, which is accompanying this presentation and available at [www.db.com/ir](http://www.db.com/ir).