



# Deutsche Bank AG Strategy 2015+: Progress update

Anshu Jain, Co-Chairman of the Management  
Board and the Group Executive Committee

*Passion to Perform*

Morgan Stanley European Financials Conference  
London, 21 March 2013



# The macro environment has improved significantly...

## Curtailment of tail risk...

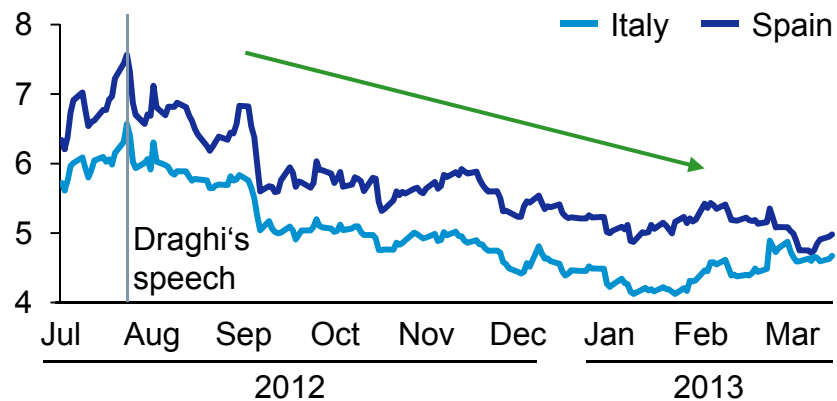
'The **ECB is ready to do whatever it takes** to preserve the euro'

*Mario Draghi, Global Investment Conference 26 July 2012*

'The Governing Council decided to **undertake Outright Monetary Transactions** in secondary markets for sovereign bonds in the euro area'

*Mario Draghi, ECB Press Conference 6 September 2012*

10yr government bond yields since 1 July 2012, in %

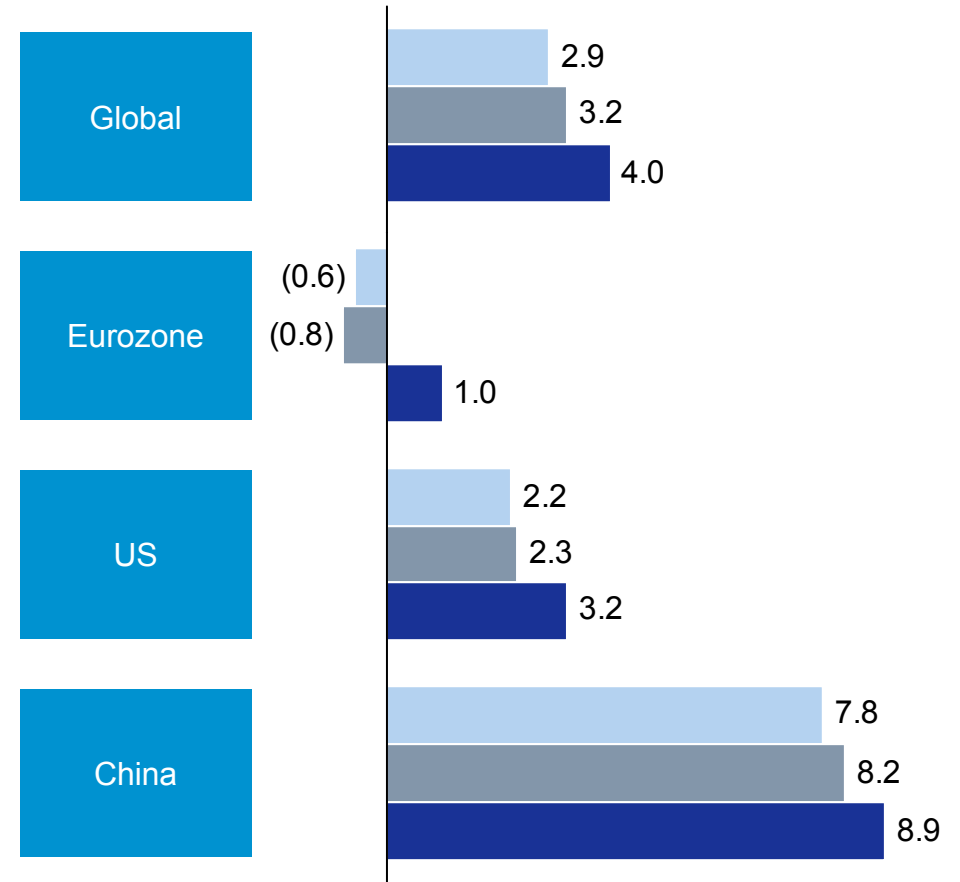


Source: DB Research, Bloomberg, Press

## ...and global growth is picking up

Real GDP growth, in %

2012E 2013F 2014F

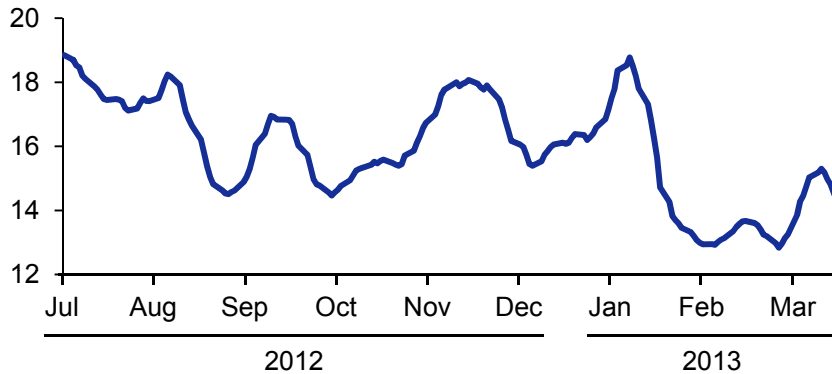




# ...and markets have taken the cue

## Decrease in volatility

VIX (S&P 500)<sup>(1)</sup>



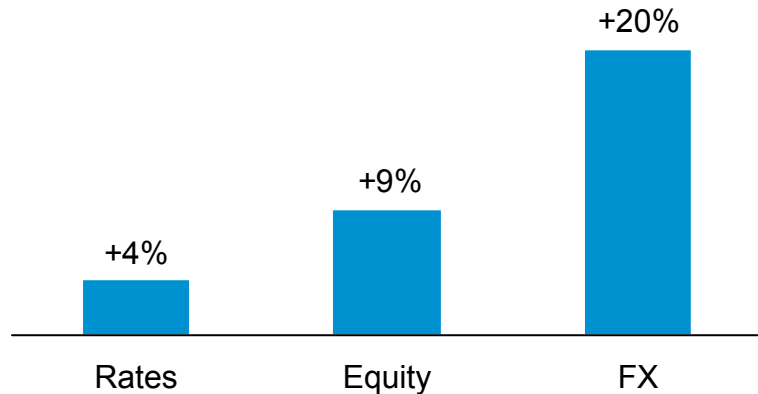
## Higher equity markets

Indexed to 100 on 29 June 2012, in %



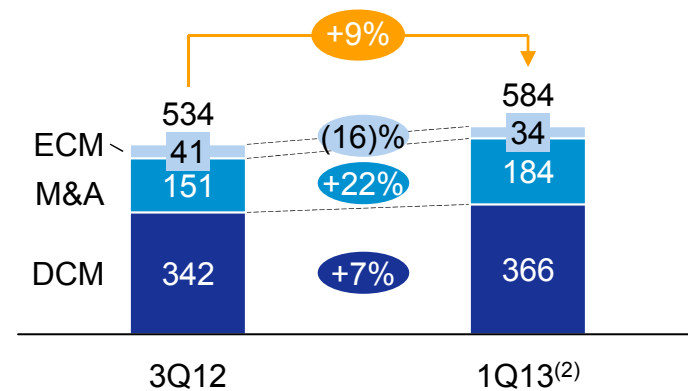
## Robust market volumes

1Q13<sup>(2)</sup> vs. 3Q12, S&T industry volumes monthly average



## Increase in corporate activity

Based on Industry volumes monthly average, in EUR bn



(1) 10 day moving average SIFMA/Federal Reserve, CLS (2) 1Q13: Average of Jan and Feb 2013 for Rates and Equity; Jan 2013 for FX

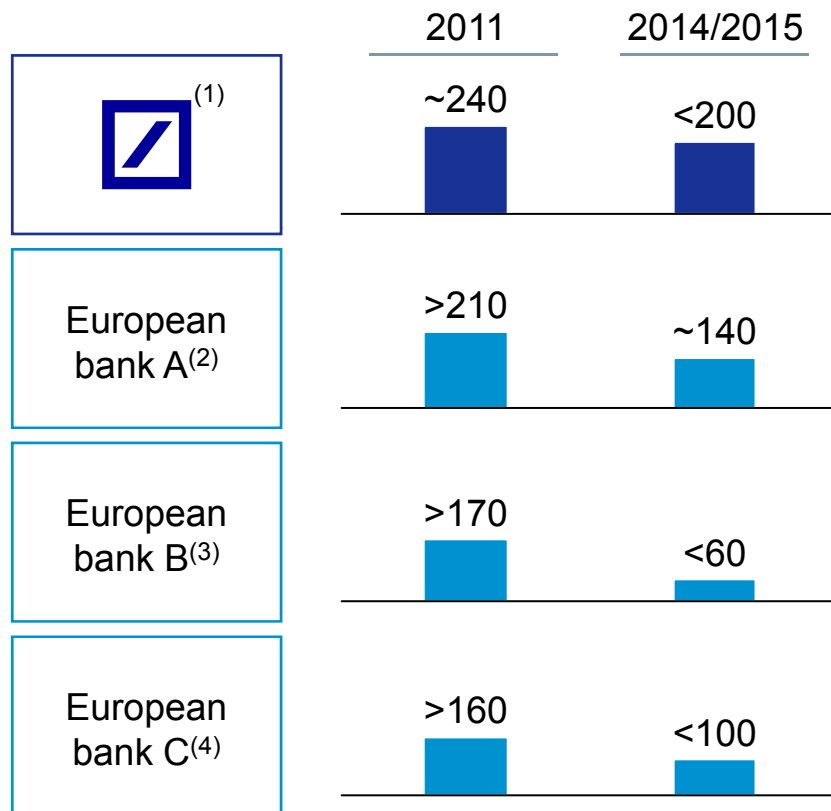
Source: Bloomberg, Thomson, Dealogic, World Federation of Exchanges,



# Industry consolidation validates our strategic view

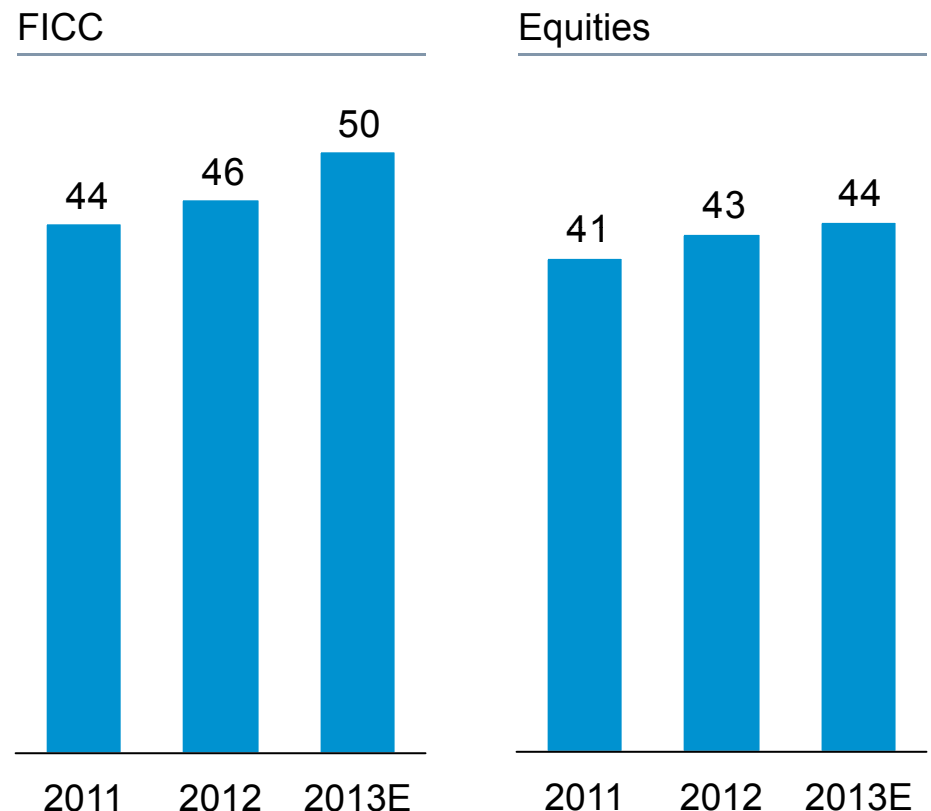
## Changing competitive landscape...

Pro-forma B3 RWA-equivalent in investment bank, in EURbn



## ...and share gains for global leaders

Cumulative market share of top-5 players

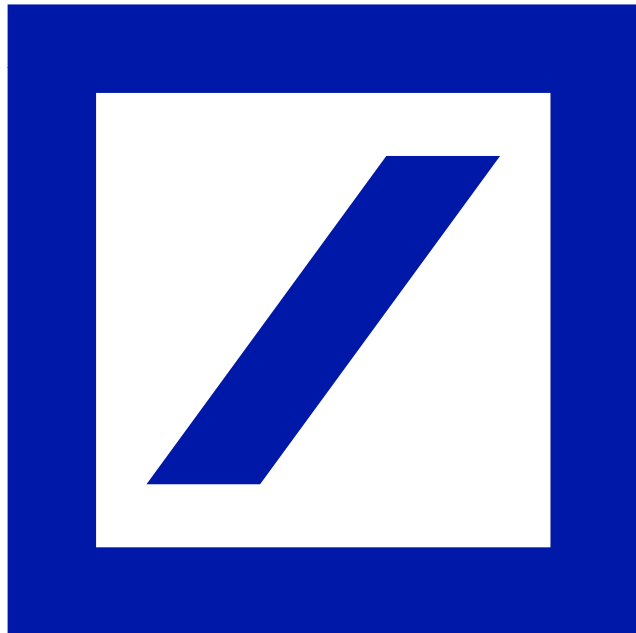


(1) CB&S excluding NCOU in 2011; December 2015 target (2) Investment Bank; 2011 as of September; December 2014 target (3) Investment Bank; 2011 including non-core; December 2015 target excl. non-core (which together with legacy portfolio is expected to decrease by ~EUR 40bn from 2013-2015 to ~EUR 45bn by YE2015) (4) Markets division; December 2014 target Source: DB Research, company information

# Strategy 2015+: Progress against our published goals



**We aspire to be the leading client-centric global universal bank**



**Capital**

**Costs**

**Competencies**

**Clients**

**Culture**



# Revised 4Q / FY 2012 results at a glance

In EUR bn, unless otherwise stated

		4Q		FY	
		2012 old	2012 new	2012 old	2012 new
<b>Performance highlights</b>	Net revenues	7.9	7.9	33.7	33.7
	Core Tier 1 ratio, Basel 3 fully loaded, in % <sup>(1)</sup>	8.0	7.8	8.0	7.8
	Dividend per share <sup>(2)</sup> , EUR	-	-	0.75	0.75
<b>Impact on profitability</b>	<b>Reported Group IBIT</b>	<b>(2.6)</b>	<b>(3.2)</b>	<b>1.4</b>	<b>0.8</b>
	Non-Core Operations Unit	(1.1)	(1.6)	(2.4)	(2.9)
	Core Bank impairments <sup>(3)</sup>	(1.5)	(1.5)	(1.5)	(1.5)
	Core Bank significant litigation <sup>(4)</sup>	(1.0)	(1.1)	(1.3)	(1.4)
	<b>Core Bank adjusted IBIT</b>	<b>1.0</b>	<b>1.0</b>	<b>6.5</b>	<b>6.5</b>

- IFRS requires the reflection of significant adjusting events emerging after the balance sheet date in the financial statements if they become known before the release and publication of those
- Based on these IFRS requirements, the Bank has increased its provisions for litigation by EUR 0.6 bn to EUR 2.4 bn. Contingent liabilities in respect of significant legal and regulatory matters declined by approximately EUR 0.5 bn to EUR 1.5 bn

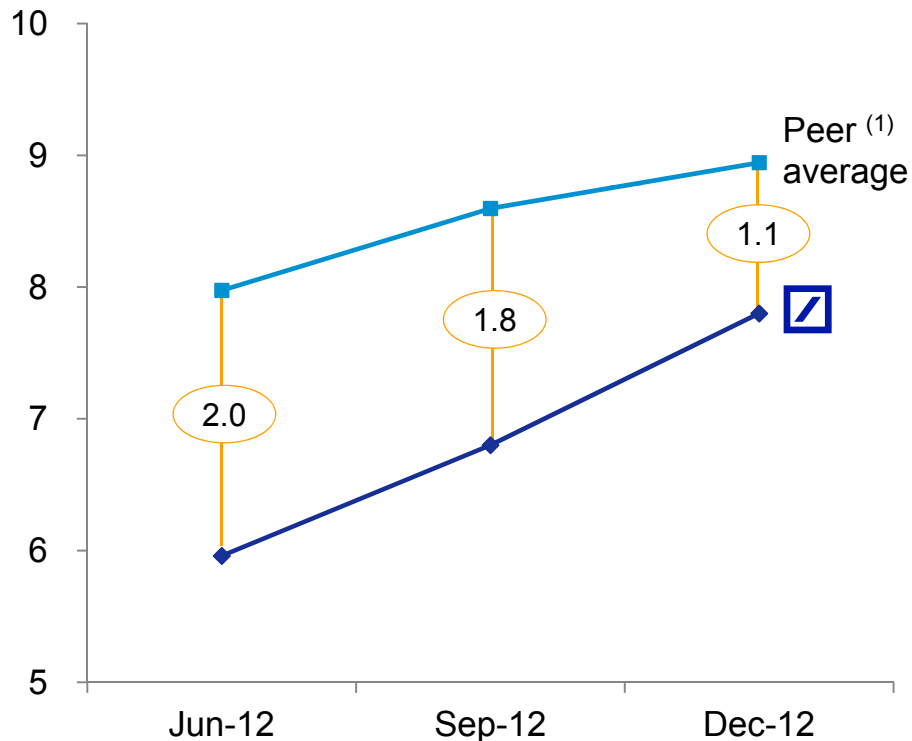
Note: Core Bank includes CB&S, GTB, AWM, PBC, and C&A; numbers may not add up due to rounding (1) Pro-forma (2) Proposed (3) Impairment of intangible assets (4) >EUR 100m



# Capital: Significant progress...

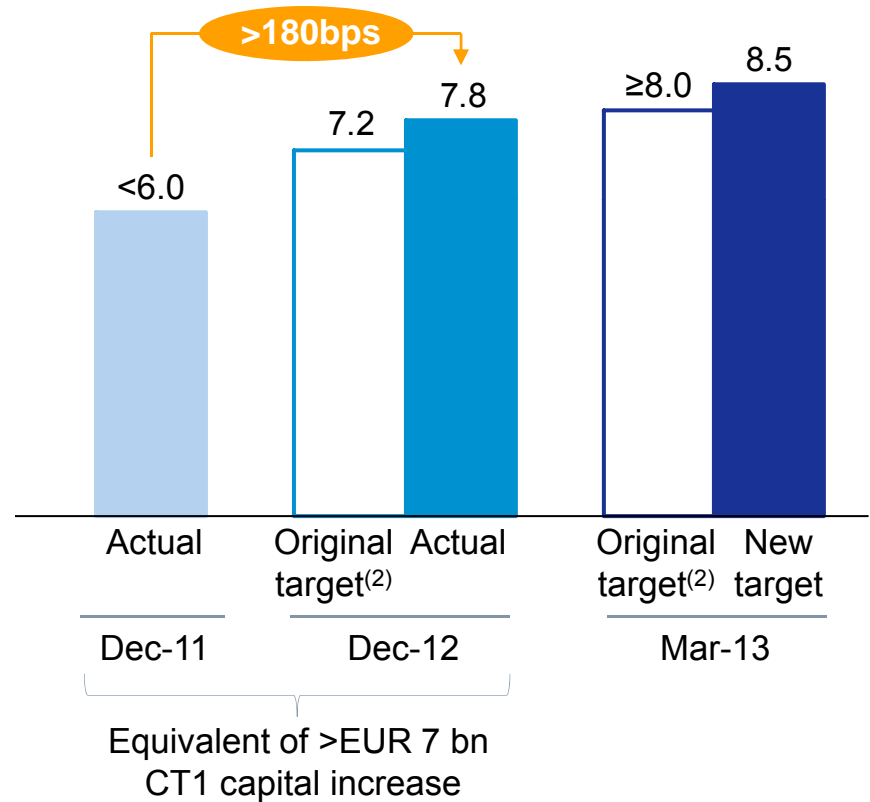
## We have narrowed the gap vs. peers...

Pro-forma B3 CT1 ratio (fully loaded), in %, period end



## ...and raised our target

Pro-forma B3 CT1 ratio, (fully loaded), in %, period end



(1) BoA, Citi, JPM, GS, MS, CS, UBS, BAR, SocGen, BNPP (2) Investor Day (11/12 September 2012) Source: Company data

...thanks primarily to substantial capital demand reduction



## Capital demand toolbox<sup>(1)</sup>

Pro-forma Basel 3 RWA equivalent<sup>(2)</sup> relief, in EUR bn

	Achieved in 2H2012	Planned by 31 Mar 2013 <sup>(3)</sup>
<b>1. Non-Core Operations Unit</b> (excluding cross benefits from 3. and 4.)	~29	<b>&gt;100</b>
<b>2. Portfolio optimization</b> — Rightsizing of core portfolios — Optimizing risk mitigation	~18	
<b>3. Roll out of advanced models</b> — Regulatory roll-out program — Subject to BaFin approval	~19	
<b>4. Improvement of operating model</b> — Data and processes — Trade capture	~14	
<b>Total</b>	<b>~80</b>	

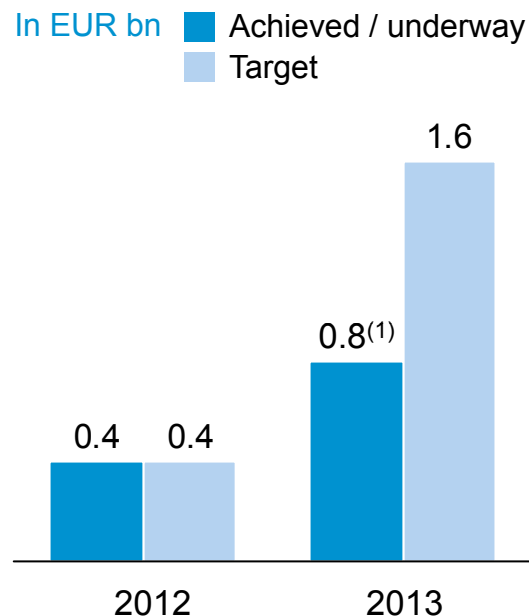
Note: Figures may not add up due to rounding differences (1) Excludes dedicated Basel 3 management action in relation to new Basel 3 charges CVA, CCR, CCP  
 (2) RWA plus equivalent of items currently deducted 50/50 from Tier 1/Tier 2 capital whereby the Tier 1 deduction amount is scaled at 10% (3) New target replacing the original Investor Day target of ~EUR 90 bn



# Costs: Operational Excellence Program well underway



## Cost savings



## 2012-2015 targets

- Annual run rate savings of EUR 4.5 bn by 2015
- Cumulative Cost-to-Achieve of EUR 4.0 bn

## Achievements by December 2012 (selected examples)

<b>IT platform renewal</b>	<ul style="list-style-type: none"> <li>— 660 applications decommissioned; new apps reduced by 50%</li> <li>— &gt;20 million clients shifted to common retail banking IT platform<sup>(2)</sup></li> </ul>
<b>Organizational streamlining</b>	<ul style="list-style-type: none"> <li>— CB&amp;S rightsizing and AWM integration: reduction of 1,700 FTE<sup>(3)</sup>, 90% from U.S., UK and Asia</li> <li>— IT Center of Excellence: 1,800 FTE migrated, further 1,200 FTE in scope</li> </ul>
<b>Sourcing excellence</b>	<ul style="list-style-type: none"> <li>— 100+ new initiatives, annual save of EUR 0.5 bn by 2015</li> <li>— Stricter, centralized governance and controls for new spending</li> </ul>
<b>Front-to-back productivity</b>	<ul style="list-style-type: none"> <li>— Integrated retail middle office platform formed with 9,000 FTE</li> <li>— Rightsizing IT in Netherlands, achieved EUR 50m annual saves</li> </ul>
<b>Footprint rationalization</b>	<ul style="list-style-type: none"> <li>— 16 sites vacated, 7 more earmarked, 40 in scope</li> <li>— Scope for transfer of 8,000+ FTE across New York, London, Hong Kong and Singapore to more cost-effective locations</li> </ul>

(1) Total 2013 impact of measures implemented in 2012 (2) "Magellan" (3) ~1,300 front office FTEs and ~400 FTEs in related Infrastructure areas

# PBC: Solid performance, progress on Postbank integration



## Example challenges

Persistently low interest rate environment

Challenged peripheral European economies

Complex, large-scale integration

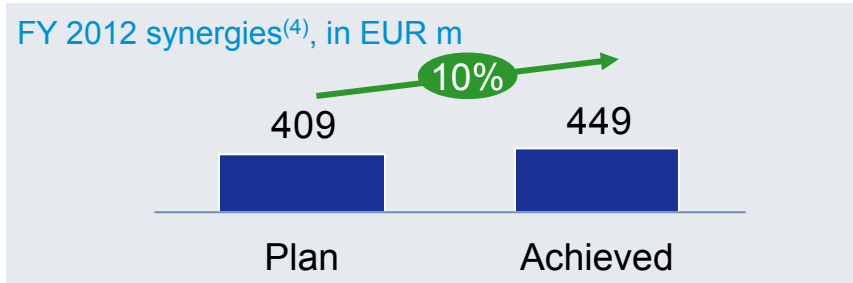
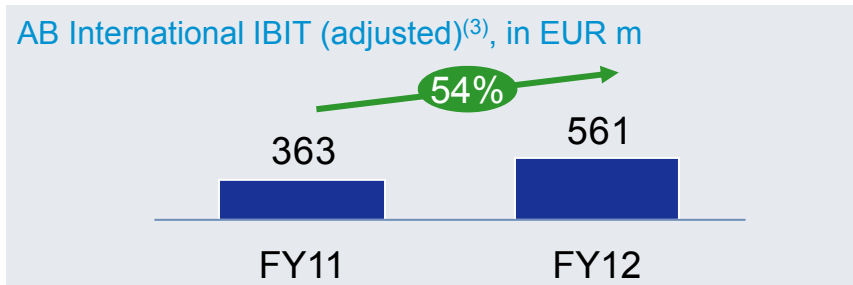
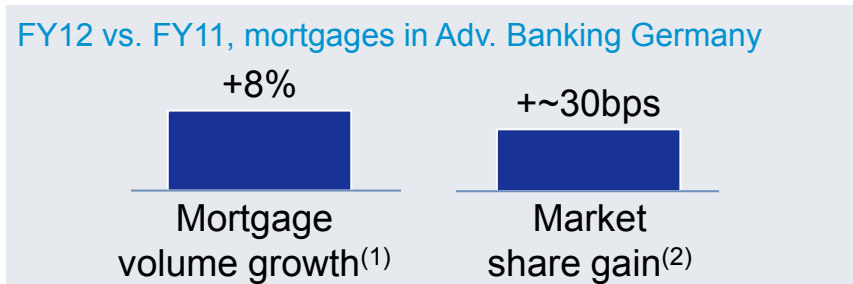


## Business response

Market share growth in lending business

Resilience in Advisory Banking International

Postbank integration well on track



(1) Includes housing loans to employees and other individuals excluding home loan savings (2) Includes housing loans to employees and other individuals excluding HLS based on latest Bundesbank statistics per November 2012 (3) Advisory Banking International: FY2011 adjusted for net HuaXia one-off gain of EUR 263 m; FY2012 adjusted for cost-to-achieve related to OpEx of EUR 19 m (4) Includes revenue & cost synergies



# CB&S: Strengthening our leading franchise despite a challenging environment

## Example challenges

Macroeconomic concerns and market volatility

Lower industry volumes

Continued regulatory uncertainty

Increased public scrutiny

Resource reduction

## Business response

Global leader in Fixed Income (FI)



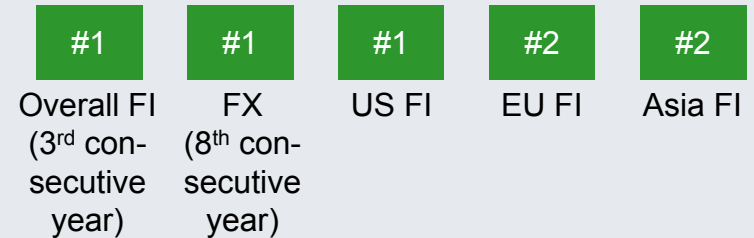
Strong market share gains in Equities



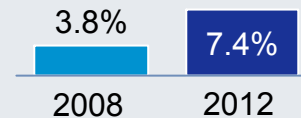
Highest ranked European bank in Corporate Finance



### Global rankings 2012



### US Cash Equities market share



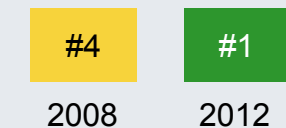
### Global prime brokerage rankings



### Global rankings



### European rankings



Source: Greenwich Associates; Euromoney; Dealogic; Global Custodian

# CB&S: A transformed business model

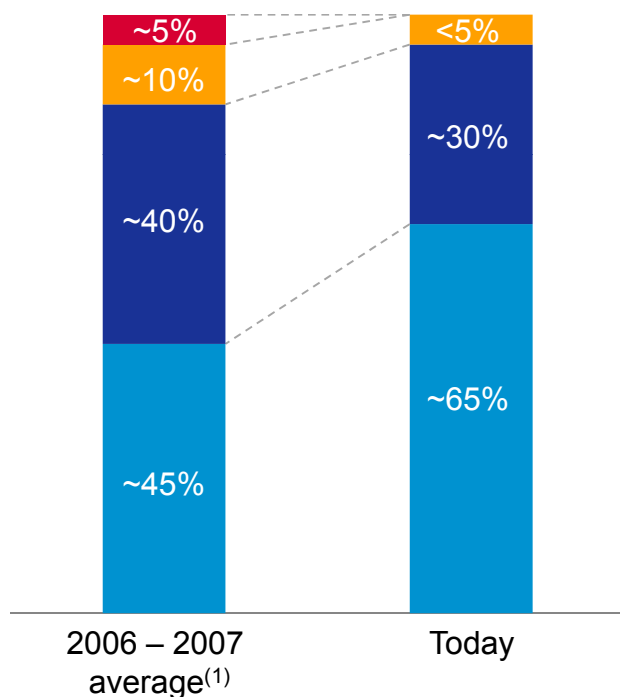


ILLUSTRATIVE

We completely changed business mix...

Share of Markets revenues

- Dedicated prop trading
- Client solutions
- Illiquid markets
- Most liquid flow



... and de-risked in a lower return environment

CB&S, in EUR bn<sup>(2)</sup>

	Pre-Crisis <sup>(3)</sup>	2012	Change
Capital requirements (Average Active Equity) <sup>(4)</sup>	<17	>26	>65%
Pre-tax RoE <sup>(4)</sup>	>30%	<15%	~(20)ppt
-----			
RWA (Basel 2.5 pro-forma) <sup>(5)</sup>	~275	~200	~(30)%
Balance Sheet (adjusted assets) <sup>(5)</sup>	>1,200	~800	~(35)%
Value at Risk (average yearly) <sup>(6)</sup>	>0.12	~0.06	~(50)%
Stress loss <sup>(6)(7)</sup>	~5	<2	~(60)%
Leveraged Finance pipeline	>36	<2.5	>(90)%
Commercial Real Estate pipeline	>17	<2.5	>(85)%
Credit correlation gross present value	~6.0	~0.2	~(95)%

(1) Includes revenues for businesses transferred to AWM and NCOU in 2012 (2) Unless stated differently (3) 2007/2008 except stress loss which is as of 1Q2009  
 (4) Pre-crisis based on FY 2006 reported figures, 2012 based on 9M12 annualized non-restated figures due to structural changes affecting FY2012 reporting  
 (5) Incremental RWA under Basel 2.5 (CRD 3) of EUR 54bn added to reported 2007 RWA; 2012 RWA and balance sheet based on 9M12 prior to transfer of assets to NCOU  
 (6) Differences vs. previously shown figures due to changes of calculation methodology (7) Estimated maximum traded market risk loss on a return to 1Q2009 conditions over a quarter, including offsetting revenues across businesses



# AWM: Laying foundations for future performance

## Example challenges

Short-term consequences of strategic review

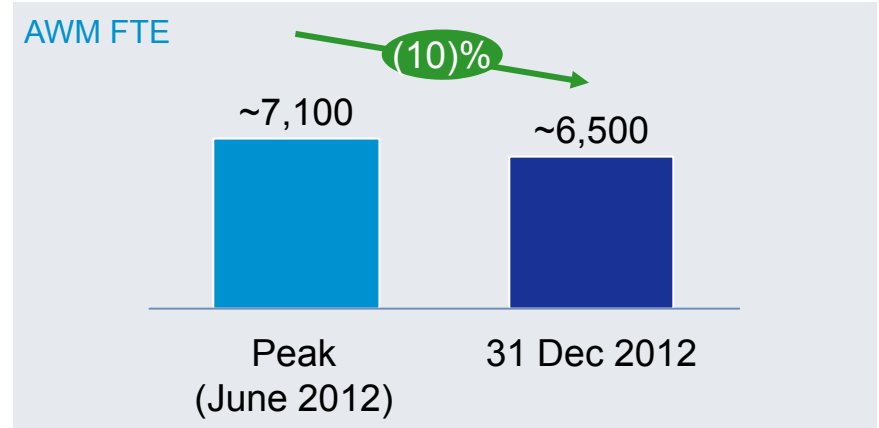
Complex five-way business integration

Streamlining of platform duplication

## Business response

Efficiency measures underway

Reshaping of the business



- Integrated organization with clear leadership and stabilized management team
- Development of the integrated AWM Global Client Group
- Unified investment platform across styles, vehicles, asset classes and solutions
- Rationalization of platforms and processes well underway

# GTB: Continued strong operating performance



## Example challenges

Persistent low interest rates

Competitive pressure increasing

Challenging environment in Netherlands

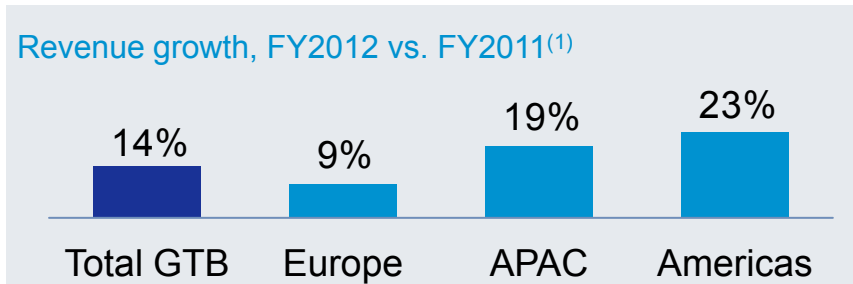
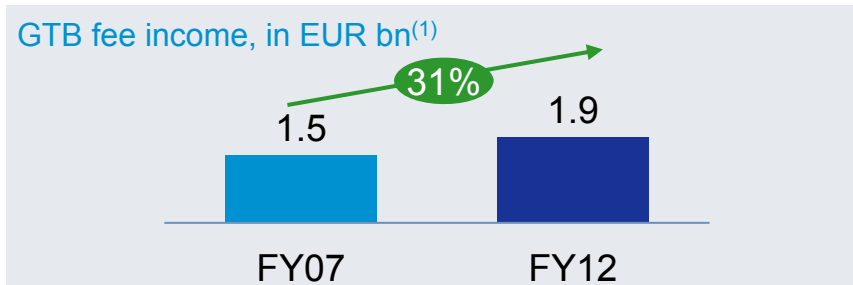


## Business response

Higher fee income

Above market revenue growth

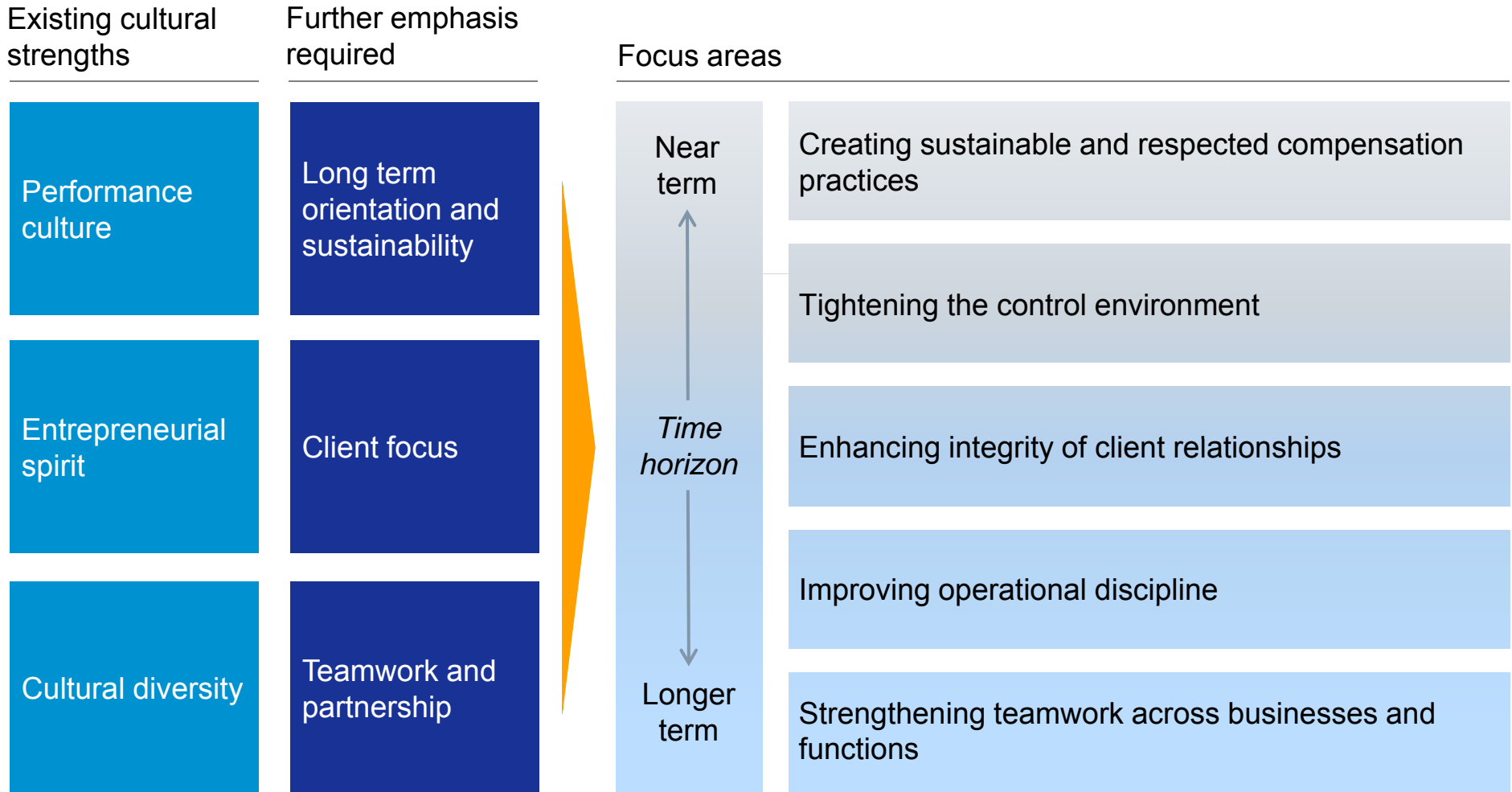
Decisive action on turnaround



- Charges in 4Q2012
- Turnaround measures on schedule
- Further costs related to turnaround to come in 2013

(1) Excluding the commercial banking activities acquired from ABN AMRO in the Netherlands; 2007 based on structure as of 2009

# Culture: Deutsche Bank is at the forefront of cultural change



# Clients: Delivering on the promise of client-centricity



Provided **>300,000 new mortgages in Germany**, EUR 24bn volume, 12% of total new market

Supported **~60,000 small business clients** in starting up or developing



Enabled **180 companies worldwide** to access the **capital markets for the first time**

Helped **~3,500 financial institutions in 33 countries** access global financial markets



Processed **one-seventh of global FX volumes** and helped **8,000 corporates and institutions** hedge their risk

Supported **~EUR 56 bn of trade finance activity**<sup>(1)</sup>

**Cleared EUR 1.3 tn in daily payment volumes**<sup>(2)</sup> and one-fifth of all EUR-clearing<sup>(3)</sup>

Note: figures as of 2012 (unless stated differently) (1) Related to letter of credit business (2) Based on average daily volumes in 2011 (3) Bundesbank, based on EURO payments through RTGS+/Target 2 Germany Source: Deutsche Bank; CIA World Fact Book (2011)

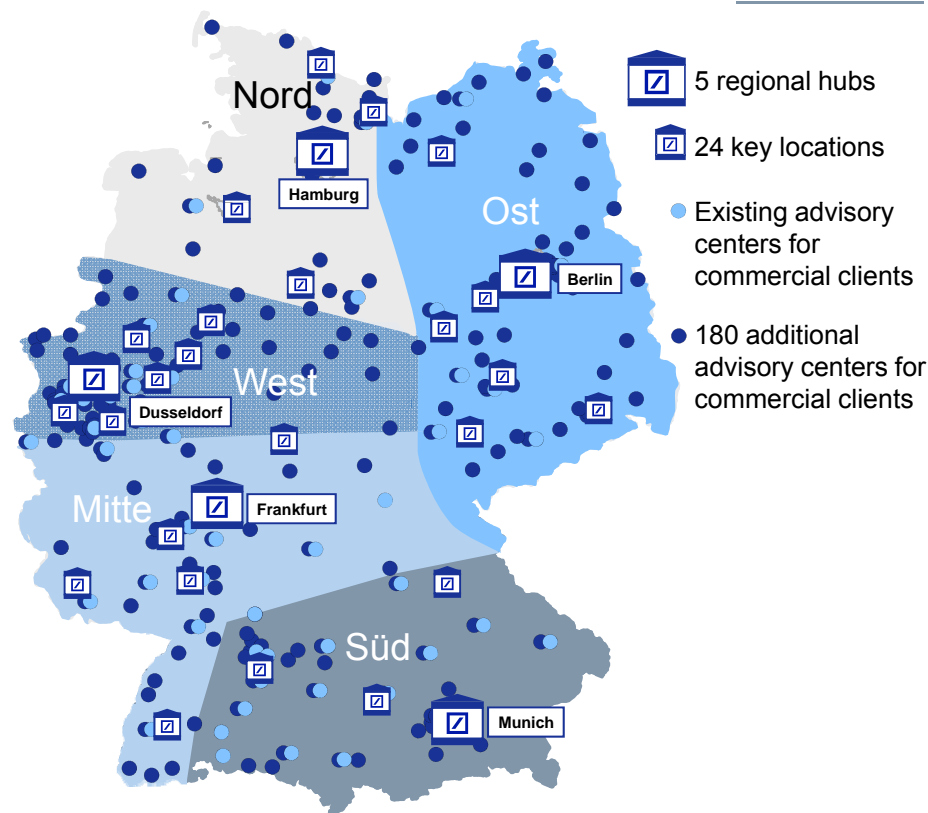


# Important new development in our home market Germany



## New regional structure

ILLUSTRATIVE



## Key initiatives in Germany

- Integrate commercial banking coverage for ~900,000 small- and mid-sized corporate clients (Mittelstand), ~11,500 of which transferred to PBC
- Provide commercial banking clients access to 180 additional advisory centers and global product expertise
- Offer better local coverage possibilities to ~1,400 CB&S corporate clients
- Strengthen regional presence and connectivity by appointing 5 regional heads

# The regulatory environment: new challenges emerge...



## A challenging regulatory environment...

Selected examples as of September 2012

Capital, funding and liquidity	<ul style="list-style-type: none"> <li>— Basel 3 (Core)-Tier 1 ratio</li> <li>— LCR / NSFR</li> <li>— Leverage</li> </ul>
Bank structure and systemic risk	<ul style="list-style-type: none"> <li>— Volcker</li> <li>— Vickers</li> <li>— Living wills</li> <li>— Subsidiarisation</li> <li>— SIFI</li> </ul>
Governance and supervision	<ul style="list-style-type: none"> <li>— Board composition</li> <li>— Compensation</li> <li>— Banking union</li> </ul>
Taxes	<ul style="list-style-type: none"> <li>— Bank levies</li> <li>— FATCA</li> <li>— Financial transaction taxes</li> </ul>

## ...and may become more complex, especially for European players

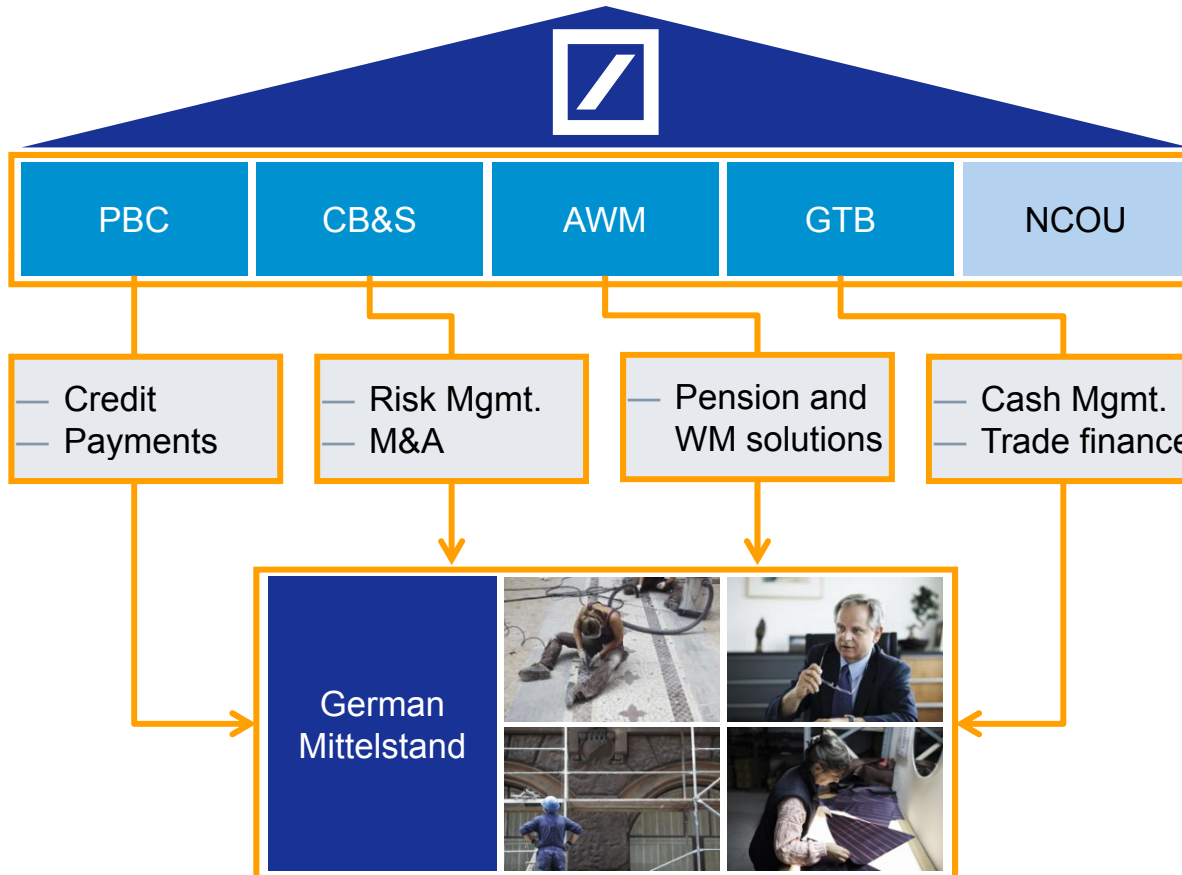
Major developments since September 2012

Liikanen and German bank separation proposals
Fed Notice of Proposed Rulemaking for Foreign Bank Organizations (FBO) in the US
EU agreement on CRD IV – additional restrictions on remuneration
Enhanced cooperation to adopt financial transaction tax (FTT) in several EU member states



# ...with unintended consequences for European industry, growth and competitiveness

Integrated global offering, delivered locally



Potential unintended consequences of regulatory proposals

- ▶ Increased cost of credit
- ▶ Increased cost of hedging risk
- ▶ Reduced market liquidity increasing funding costs
- ▶ Lower stability as retail banks are forced to invest excess liquidity
- ▶ Weakened competitiveness of EU universal banks
- ▶ Higher dependence on non-EU banks

# Strategy 2015+: Key takeaways of progress update



Since last summer the business environment has improved

We are making good progress against our strategic objectives

The regulatory environment has become even more complex, particularly for European-based global universal banks

We are nonetheless on track to deliver our Strategy 2015+ aspirations



# 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 4Q2012 Financial Data Supplement of 20 March 2013, which is accompanying this presentation and available at [www.db.com/ir](http://www.db.com/ir).