Jürgen Fitschen and Anshu Jain
Co-Chairmen of the Management Board
Deutsche Bank AG

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– Check against delivery –

Anshu Jain

Sehr geehrte Damen und Herren,
Herzlich willkommen, auch im Namen des Vorstandes! Dies ist ein sehr wichtiger Tag. Heute besprechen wir, kritisch und konstruktiv, wo Ihre Bank steht. An diesem Tag ist jedes Wort wichtig. Deshalb erlaube ich mir, wie Paul Achleitner gerade erklärt hat, in meiner Muttersprache weiterzumachen.

For Jürgen and me, today marks a milestone in our dialogue with you. Strategy 2015+ comes to a conclusion, and we launch the next phase of our journey: **Strategy 2020**. Today, Jürgen and I will look back. We will candidly assess the promises we made, and whether we kept those promises. We expect and welcome tough questions. We will also look forward, and lay out for you our strategic course for the next phase of our journey.

Let me start in 2012. The new management team took charge of a Bank with many strengths. We had deep roots in Germany, Europe's strongest economy; a powerful global network; leading positions in some businesses; a strong brand and franchise.

But the Bank also had many weaknesses. Our capital strength was significantly behind that of our peers. Some businesses were not performing to their full potential, and we were too dependent on investment banking. Infrastructure spending lagged behind that of leading peers. Trust in the banking industry had been undermined by the financial crisis. The Bank faced a long list of unresolved legacy matters. The Bank's cost-efficiency was out of line.

100 days after taking office, we launched 'Strategy 2015+'. We made six promises. First and foremost, to strengthen capital. Second, to build strong performance across all four core businesses, creating a better earnings balance. Third, to launch a long-term programme of cultural change. Fourth, to strengthen infrastructure. Fifth, to resolve legacy litigation matters. And finally, to become more cost-efficient.

So today, at our 2015 AGM, we must ask the question: *did we deliver on our promises?* In four vital areas, the answer is yes:

- **First, we strengthened our capital**. Deutsche Bank's core capital ratio in early 2012 was below 6%. We have raised that to over 11%. We completed two capital raises, raising over 11 billion Euros. We disposed of non-core assets and cut balance sheet. We significantly improved our leverage ratio, from below 2% to 3.4%. In the ECB Stress Test last autumn, Deutsche Bank emerged as one of the strongest banks in the Eurozone in times of market stress.
- **Second, we built four strong business pillars for Deutsche Bank**. Last year, for the first time ever, all four of Deutsche Bank's core businesses delivered pre-tax profits in excess of 1 billion Euros each. We are a better-balanced bank.
- **Third, we launched a programme of cultural change**. This is very close to our hearts. It will be a long-term effort, but we have made progress on many fronts. Nevertheless, the behaviour of some individuals has done significant damage to Deutsche Bank. We were appalled at that and determined to take action; we disciplined people whose conduct did not represent our values. However, we understand – incidents like this lead some of you to be sceptical about our efforts to embed cultural change.
- **Fourth, we strengthened our infrastructure**. This work is still ongoing, but we have made progress. We invested in compliance and controls to ensure we meet new regulatory and reporting standards. We invested in more efficient business platforms. In total, we invested nearly 6 billion Euros to build a safer, more robust Deutsche Bank. Ladies and Gentlemen: investment on that scale is without precedent! It enables us to shift the focus to growth.

In other words: substantial achievements in four key areas. Ladies and Gentlemen, these achievements reflect the hard work and commitment of Deutsche

Bank staff. Some of those colleagues are here today. For their efforts, Jürgen and I would like to say a heartfelt "**thank you**."

Nevertheless, in two areas, we have not delivered as we intended to.
First, resolving legacy litigation matters has taken longer, and been very costly. For the banking sector as a whole, the legacy burden has been unprecedented for this or any industry, particularly in the US. Since the crisis, the world's major banks have paid out over 100 billion Euros in fines and settlements. Deutsche Bank has been part of this trend. Ladies and Gentlemen, be assured: we are working systematically, and doing everything we can, to resolve the outstanding issues.

Second, cost-efficiency remains a challenge. In 2012, we launched the most ambitious cost-reduction programme in Deutsche Bank's history. The programme is on track. However, total costs have not come down as much as we aimed for. There are both external and internal reasons for this. The landscape around us has changed; but in addition, the quality of our execution played a role.

- **The regulatory bar has been raised higher than we, or most in our industry, anticipated**. Large global banks like Deutsche Bank are particularly under the microscope. Our systems and processes needed upgrading. The cost of meeting new regulation and installing new controls has been considerable.
- **Additionally, we retained a great deal of business optionality.** In a world where the cost of complexity is much higher, that was unsustainable. So let me be clear: we are not satisfied with the cost savings we have delivered. This will be a top priority in the coming years.

The result is that returns to you, our shareholders, have not been what we aimed for. We have made progress, but our work is not complete. Total Shareholder Return since we took office is positive in absolute terms, but not satisfactory relative to other German companies or other banks. Ladies and

Gentlemen, we know you are disappointed with that. As fellow shareholders, Jürgen and I, and all our Management Board colleagues, share that sentiment.

Now let me turn to the strategic review process which produced Strategy 2020. Jürgen and I launched this process at the end of last year. We analysed all options widely and deeply. We owed it to our clients, and to you**,** to take an honest look at ourselves. We did not exclude radical alternatives.

During this period, we were struck by the views we got from our stakeholders. The Chief Executive of a large German multinational corporation told us: *I want to make an acquisition in America, and I don't want to call only American banks for advice.* The heads of many *Mittelstand* companies have consistently told us: *we do business in many countries. We need a bank which supports us globally, but is close to us right here!* Prominent investors in the Middle East and Asia told us: *we are giving you a mandate because you cover the globe but are based in Europe*. Overall, the message from clients was loud and clear: *we want you and we need you – globally, and here*.

Ladies and Gentlemen, it became clear to us: our greatest strength was that we were a global bank, anchored in Germany. At a time when other banks were heading in different directions, we realised that this did more than make us strong . It made us unique.

In addition, we realised that the synergies between our businesses were crucial. The capital markets expertise of our investment bank contributes to the solutions we develop for our investor clients. Deposits, in our retail business and in transaction banking, contribute high-quality funding for the Group. Most importantly, we recognised how our global network supports all our businesses.

Additionally, we recognised that regulation is shaping banking more than ever. Regulators and political leaders have consistently stressed the importance of strong capital, leverage reduction, high-quality funding and robust infrastructure.

All of this led us to realise that Strategy 2020 must start with a clear statement of the bank we wanted to be. *We reaffirmed our commitment to being a leading global bank based in Germany.*

We recognised that to deliver value to you, our shareholders, we must tackle the cost of complexity. Focus has become all-important. Strategy 2020 needed to achieve focus on three dimensions. We must remain client-centric, but focus on client segments which offer mutually attractive relationships. We must remain global, but focus our global network on those locations which are most important to our clients and most attractive for us. We must remain universal – but avoid being 'all things to all people.'

Finally: as Paul Achleitner has explained and as we have announced, the Bank has made significant management changes in order to position ourselves for the implementation of Strategy 2020.

How will we operationalise this Strategy? We took six critical decisions. I will describe three of these. Then, Jürgen will describe the others.
First, we aim to re-position our investment banking business, Corporate Banking & Securities. This business has been the biggest source of our operating profit. It has also been the source of historic litigation issues which have had a major impact on our returns.
Our priorities are: to reduce balance sheet by approximately 200 billion Euros. In addition, to maintain our global leadership position by investing between 50 and 70 billion Euros of balance sheet into high-return businesses and client relationships. Further, to continue to strengthen internal controls. This reduces the risk of future conduct issues.

Second, we aim to re-shape our retail banking platform.
We aim to deconsolidate Postbank. Postbank today is a much stronger organisation than it was four years ago. We have cut balance sheet by a quarter, or 60 billion Euros. We have disposed of over 40 billion Euros in non-core assets. We installed a top-quality management team. We invested over 1 billion Euros into the

platform. We have doubled return on assets, boosted shareholder equity and improved the leverage ratio. So you may be wondering, after so much progress: *why deconsolidate Postbank?*

The answer lies mainly in the changing regulatory landscape. A leverage ratio of 5% is right for Deutsche Bank, but would impose a heavy and unnecessary burden on Postbank. Additionally, regulation prevents Postbank from deploying its funding base to maximum advantage. Our client bases are different, so cross-selling opportunities are limited. These factors forced us to conclude: *Postbank and Deutsche Bank would both perform better, and deliver more value, as separate banks.*

However, we are committed to our core retail business, the so-called 'blue bank'. Returns are good relative to balance sheet usage. There are many synergies with other parts of Deutsche Bank. We also recognise that digital technology is transforming how our customers live, and how they bank. This changing behaviour of our clients means that we will close up to 200 branches. We will accelerate our investments in digital capabilities.

As Paul Achleitner has said, the re-shaping of our retail business will be led by Christian Sewing. Christian was a member of the PBC Global Executive Committee for three years from 2010 and has many years of Deutsche Bank experience. Rainer: on behalf of Jürgen and myself: thank you for many years of contribution and partnership. Congratulations on everything you have achieved, and most sincere good wishes for the future.

Third: we will transform our operating model. We aim to save 3.5 billion Euros per year, on top of the remaining 1.2 billion Euros in savings from our existing 'Operational Excellence' programme. As we focus, we will serve fewer clients, with fewer products, in fewer locations. Our infrastructure becomes simpler and more effective. That enables us to become more efficient. These cost savings will help us deliver significantly better returns for you, our shareholders. Fabrizio Campelli will lead the transformation of our operating model. Fabrizio will become Deputy Chief

Operating Officer, reporting in that capacity to Henry Ritchotte. He will also assume responsibility for Strategy and Organisational Development, reporting in that capacity to me.

Ladies and Gentlemen, before I hand over to Jürgen, I want to leave you with a simple message. We have faced many challenges. We have successfully addressed some. We have a clear strategy for dealing with others. We are convinced we are on the right path.

In June, I will have dedicated 20 years of my life to Deutsche Bank. I am deeply honoured and proud to have served this great institution for all those years. With your support, we will continue to make this bank a better place.

With that, let me hand over to Jürgen.

Jürgen Fitschen

Thank you Anshu, and let me add my personal welcome to all of you here today. Let us now look at the other three key decisions which will deliver Strategy 2020.
We will continue to digitalise Deutsche Bank.

- **The digital revolution is transforming the way our customers reach us**. Every day, customers access their Deutsche Bank account online around one million times; of these, around 300,000 are via mobile phone or other mobile devices. This is a fantastic opportunity to get closer to our clients. We were the first bank in Germany to give our customers access to their accounts by fingerprint recognition. This year, we became the first bank in Germany to offer banking services via the Apple Watch.
- **Digitalisation enables us to process information faster, more accurately, and more cost-effectively**. Anytime and anywhere, customers

will have the knowledge of Deutsche Bank at their fingertips. We can respond to customer needs faster. We can even anticipate these needs. Digitalisation also makes our infrastructure more effective. We can save costs, tighten controls, and become more efficient.

- **We will accelerate the pace of digital innovation**. We are working with around 500 partners in Silicon Valley, London, and Berlin to identify new opportunities to get closer to clients, capture new business opportunities, and strengthen our operations. Over the next five years, we will invest an additional 1 billion Euros in developing digital technology.
- Digitalisation is a critical element of Strategy 2020, and for that reason the Bank has created the post of Chief Digital Officer at Management Board level. Henry Ritchotte, our Chief Operating Officer, will in addition assume this role.

Let me now turn to our other core businesses, Global Transaction Banking and Deutsche Asset & Wealth Management. We plan to invest and grow in both.

- **Global Transaction Banking is a very attractive business for us**. We enjoy a leadership position. The business complements our investment banking offering to corporate and institutional clients. Return on equity is high. Our cost-efficiency is world class. However, we have not yet expanded this business to its full potential. To do that, we will invest. Over the next five years, we will commit an extra 50-plus billion Euros of balance sheet to grow our business with large companies and institutions. We will invest at least an additional 1 billion Euros to develop our core products. We aim to sustain our leadership position in Germany and Europe, and grow further in the US and Asia.
- As Paul Achleitner has explained, Stefan Krause will assume responsibility for this business at Management Board level. Werner Steinmüller, Head of Global Transaction Banking, who has done so much to build the strong business we have today, will report to Stefan. Stefan additionally assumes Board-level responsibility for our Non-Core Operations Unit.
- **In Deutsche Asset & Wealth Management, we aim to build on the success story of the past three years.** We see many opportunities to do

that. Wealth is increasing, particularly in emerging markets. Globally, more people need solutions for their retirement needs. We aim to capture these opportunities. We will increase our balance sheet to support our business with wealthy private investors. We will expand our offering of products and services - for example, by designing retirement solutions. We will also add talent. Over the next two years, we will increase our number of relationship managers by 15% and hire new product specialists.

Finally: we will focus our global network. We are proud of this network, but we are in too many countries. Economic power in key emerging markets is growing – for example, China and India. Urbanisation means economic power is concentrating in some of the world's largest cities. By contrast, in some ways, regulation is becoming more locally fragmented. Increasingly, banks are required to hold capital and other resources locally. That makes it harder to manage our capital and other resources globally. During our strategy review process, we analysed every country for its attractiveness to clients and for Deutsche Bank. The result? We plan to reduce our country network by between seven and ten countries, but concentrate resources in locations which are most attractive for clients and for us. Our regional management team will also change. Alan Cloete, Co-Chief Executive of Asia Pacific, and Colin Grassie, Chief Executive of the UK, will both leave Deutsche Bank. We thank Alan and Colin very much for their contributions and wish them all success in the next stage of their careers. Gunit Chadha remains Co-Chief Executive of Asia-Pacific.

Ladies and Gentlemen: as you would expect, we have set clear targets for delivery. The cost savings programme which Anshu described should result in a cost-income ratio of approximately 65%. Our target leverage ratio is at least 5% - in other words, more than twice as strong as when we started in 2012. We aim to stabilize our Common Equity Tier 1 ratio at approximately 11%, and deliver returns on tangible equity of over 10%. Most importantly; we aspire to deliver more than half our profits back to you, our shareholders, in the form of dividends or share buybacks.

To sum up: our aim over the next five years is to make Deutsche Bank safer and more robust; better able to grow; better capitalised and less leveraged; more focused, and as a result more cost-efficient. We are building a better bank. 2020 is a milestone year for another reason: it is Deutsche Bank's 150th anniversary. We are confident that we can celebrate Deutsche Bank's first 150 years with results that are worthy of this great institution. We are absolutely committed to that goal.

Now let us turn to the 2014 results. **Turning first to profits.** In 2014, profit more than doubled versus 2013. Pre-tax profits rose from 1.5 billion Euros to 3.1 billion Euros. Net income rose from 681 million Euros to 1.7 billion Euros. Three factors explain this development. First, robust performance in our core businesses. Second, provisions for credit losses were considerably lower. Third, provisions for litigation in respect of legacy matters were lower than in 2013. Ladies and Gentlemen, as you will see on the slide behind me, that is the second year in a row that we nearly doubled profits.

Now let me look in more detail at performance in our core businesses during 2014. In *Corporate Banking & Securities*, we turned in robust profits of 3.3 billion Euros. We made market share gains in key areas including the USA, despite tight resource discipline. In our *Private & Business Clients* business, profits were affected by costs related to a requirement for German banks relating to the reimbursement of loan processing fees. However, revenues were solid despite record-low interest rates, thanks in part to strength in investment and insurance products and credit products. *Global Transaction Banking* achieved profit growth despite the tough interest rate environment and intense margin pressure. Particularly encouraging was the strong growth dynamic in the US and Asia-Pacific regions. *Deutsche AWM* also grew profits significantly, and attracted 40 billion Euros of new client money. That compares with net outflows in the previous year.

Now let me turn to capital and balance sheet. 2014 was a year of capital strengthening. We raised over 8 billion Euros from investors and finished the year with a Common Equity Tier 1 ratio of 11.7%. We further cut balance sheet and thus improved our leverage ratio. In particular, we cut balance sheet related to non-core

activities. By the end of 2014, we had reduced the balance sheet of our Non-Core Operations Unit to 39 billion Euros – down by 100 billion Euros, over 70%, since we formed this Unit in 2012.
In the light of our financial performance, and of our commitment to a strong capital base, the Management Board and Supervisory Board propose a dividend for 2014 of 75 cents per share, unchanged versus last year.

Turning now to the all-important topic of cultural change: we made further progress in 2014. We continued to strengthen our structure against future conduct problems. We added some 700 people to our business line supervisory teams. We put staff through additional training programmes. We discontinued some business lines which did not fit with the type of business we want to do, and assessed more than 1,200 potential transactions – more than ever before - for their impact on either the communities around us or the environment.
Nadine Faruque, who joined us last year as Global Head of Compliance, will be appointed General Manager of the Bank and thus further support Christian Sewing in special, compliance-related legal issues. Mark Cullen, Global Head of Group Audit, will administratively report to Anshu and myself.

Before I conclude, let me say a few words about the first quarter this year. Revenues were very close to all-time record levels. Underlying profits in our Core Bank were the best since we took office in 2012. Corporate Banking & Securities produced robust revenue growth with resource discipline. Private & Business Clients and Global Transaction Banking both produced near-record quarterly pre-tax profits despite record-low interest rates. Deutsche Asset & Wealth Management delivered its 5th consecutive quarter of net money inflows; Assets under Management reached 1.2 trillion Euros – a record. Let's recall: in early 2012, this business was partly up for sale and losing client assets. However, Group profitability in the quarter was significantly impacted by our settlement with the UK and US authorities over t he interbank offered rate or 'IBOR' issue. Anshu has already spoken of our strong determination to deal with legacy matters such as this. We deeply regret this issue and we're relieved to have settled it. As a result, pre-tax profit in the quarter was 1.5 billion Euros, down 12%, after litigation expenses of 1.5

billion Euros, predominantly related to IBOR. Our result also reflected over 500 million Euros related to bank levy charges for the year 2015. Net income was 559 million Euros. Our first-quarter results illustrate how important it is to put legacy issues behind us. They also show the underlying power of our platform once these legacy issues are resolved, as we are confident they will be.

Ladies and Gentlemen: let me conclude.

Since we began this journey we have achieved a great deal. We have built a safer and stronger Deutsche Bank. A Deutsche Bank fit for the future in a much-changed world. That process is not finished. We have not delivered, so far, the returns you expect and deserve. However, we are convinced: *we are moving Deutsche Bank in the right direction*. We have successfully met many challenges. For those that remain, our strategy is clear. We are absolutely convinced of Deutsche Bank's potential, and absolutely determined, together with the entire Management Board, to realise that potential. For that reason, we ask for your continued support.

Thank you for your attention.