Interview with the Chairmen of the Management Board
Building for the future

»In 2013, Deutsche Bank made significant progress in implementing Strategy 2015+«
What challenges did Deutsche Bank face in 2013?

Jain: — Deutsche Bank faced a number of challenges during 2013. The global economy continued to recover, but at different speeds: growth in the U.S. and Asia Pacific was significantly stronger than in Europe. Interest rates remained very low, as many governments and central banks around the world continued to provide stimulus by pumping liquidity into their economies. Business volumes in some businesses were muted, and many clients remained risk-averse despite stronger equity markets. Regulation of the banking industry continued to tighten with a renewed focus on leverage and, more recently, structural reform. Additionally, the banking industry was confronted with significant litigation costs relating to issues which arose in past years.

Against this backdrop, how did Deutsche Bank perform?

Fitschen: — Group pre-tax profits for 2013 were up by 79% to €1.5 billion, while the core bank reported pre-tax profits up 27% to €4.8 billion. While we’re pleased with the year-on-year improvement, we’re not satisfied with this level of profitability. We have the potential to deliver more for our shareholders, and Strategy 2015+ is designed to deliver that potential.

Jain: — It’s important to consider the factors that drove these results. Our reported profits reflect the impact of specific charges related to implementing our strategy: the cost of derisking in our Non-Core Operations Unit or NCOU, investments in our Operational Excellence Program (OpEx) and charges to resolve major litigation issues. These effects, along with some specific accounting adjustments, together reduced pre-tax profits by €7 billion in 2013.

Taking account of these factors, what about the underlying core business?

Fitschen: — Adjusted profitability in our core business was close to its strongest ever, at €8.4 billion. We achieved this with a leaner platform: We reduced assets, risk-weighted assets and costs substantially from their peak levels. In addition, we improved the balance between investment banking
and non-investment banking earnings, thanks to growth in Private and Business Clients (PBC), Global Transaction Banking (GTB) and Deutsche Asset & Wealth Management (DeAWM). Together, these non-investment banking businesses accounted for around half of our operating profitability in 2013. In other words, Deutsche Bank produced one of its strongest-ever operating results with a leaner, safer and better balanced business.

*Have you made Deutsche Bank safer?*

Jain: “Yes! In the financial crisis, banks got into difficulties either from a lack of liquidity or a lack of capital. We’ve strengthened DB against both. Our Common Equity Tier 1 capital is now significantly higher than early 2012. In addition we have transformed the quality of our funding base, which now consists predominantly of the most stable sources of funding.

*How did DB’s core businesses perform in 2013?*

Fitschen: “All businesses did well in challenging conditions. CB&S delivered solid profitability and good returns despite ongoing restructuring. While 2013 was a challenging year for fixed income, we saw good momentum in both equities and corporate finance, and we’re committed to maintaining our world-leading investment banking franchise. PBC’s operating profit grew despite ongoing low interest rates, and we made progress on three major initiatives – integrating Postbank, building a common operating platform, Magellan, and launching a new Mittelstand initiative. GTB turned in robust operating profit growth with good cost discipline despite low interest rates and a challenging environment in our core European market. DeAWM produced record operating profit with both revenue growth and cost savings as we reap the benefits of integrating five business units into one.

*We’re now nearly halfway through Strategy 2015+...what does the “scorecard” look like?*

Jain: “We’re making solid progress on all our key objectives. We’ve strengthened our Common Equity Tier 1 capital ratio from below 6% in early 2012 to 9.7%. During 2013, our leverage ratio improved from 2.6% to 3.1%. In respect of costs, OpEx has so far delivered savings of €2.1 billion – that’s half a billion ahead of our 2013 year-end target.

Our core businesses have returned solid operating profitability and sustained strong customer franchises while dealing with the twin challenges of significant reconfiguration and a challenging operating environment. We have reconfigured our businesses more closely around the needs of our clients, for example by transferring some 10,000 German Mittelstand clients to our dedicated private and commercial banking platform and by creating an integrated, full-service asset and wealth management offering.

*How is the Operational Excellence Program meeting its objectives?*

Jain: “OpEx has saved money by buying smarter, putting the right people in the right locations and reaping the benefits of a more efficient platform. For example, we eliminated
1,200 IT applications – over 20% of our total – and identified another 1,100 for decommissioning; we cut our number of vendors by around 18,000 or nearly one in four; and we disposed of over 60,000 square meters of office space.

Fitschen: “OpEx is also about building a world-class platform. We are investing some €1.4 billion in integrating business platforms, around €700 million to consolidate and standardize systems, around €600 million to create a more effective organization. And we’re spending a further €200 million to automate and simplify processes. What difference does cultural change make in everyday practice?”

Jain: “Cultural change is visible in numerous aspects of our day-to-day activity. For example, for our most senior leaders, we have extended the vesting period for deferred compensation awards from three to five years with strict clawback provisions. That aligns rewards with longer-term performance more than short-term gain. In 2014, we will change the way we assess people for bonus and promotion, taking into account our new values and beliefs.”

Fitschen: “We have also strengthened our control environment. We’re investing around €1 billion until 2015 to adapt our systems to new regulation and are hiring more people into our Compliance function. We have made key appointments, including a Chief Control Officer and a Chief Governance Officer. We also launched a special initiative, reporting directly to us, to further reinforce our control model across businesses, control functions and Group Audit – our three lines of defense against control deficiencies.”

Deutsche Bank faces litigation arising from legacy issues. What’s the current status?

Fitschen: “During 2013, we put two major legacy issues behind us: the European Commission’s probe into IBOR – Inter-
bank Offered Rate – and litigation with the FHFA – Federal Housing Financing Agency – related to mortgages in the U.S. We also recently reached a settlement with the Kirch Group which ends all legal disputes between the parties in this long-standing and well-known legacy matter. In certain other cases, we successfully contested litigation brought against the bank. In the remainder of 2014 we will continue our efforts to resolve legacy litigation issues.

**Looking ahead, how do you see the year 2014?**

Jain: — We see 2014 as another year of challenges and of disciplined implementation of Strategy 2015+. We will make further progress on reconfiguring our businesses, strengthening our infrastructure ‘spine’, and elevating our systems and controls to best-in-class. We anticipate cumulative savings from OpEx to approach €3 billion, and further investments of some €1.5 billion into OpEx. In addition, we aim to build on our momentum in making decisive progress toward our leverage reduction target.

Fitschen: — In 2014 we must also respond successfully to new regulations, including the asset quality review and the stress test implemented by the European Banking Authority, and the transition to a single EU banking regulator.

**And what about 2015 and beyond?**

Jain: — We are confident that in 2015 we will see the benefits of the progress we have made so far, and will continue to make in 2014. We are extremely grateful for the focus and discipline of our staff and for the commitment they have demonstrated and continue to demonstrate in implementing our strategy.

Fitschen: — Completing Strategy 2015+ will leave Deutsche Bank well positioned to capitalize on future long-term trends. In the global economy, we continue to see dynamic growth
in the world’s emerging markets. This favors a small number of banks with a truly global network, franchise and expertise. Deutsche Bank is one of them. As demographics in many important markets shift toward an ageing population, savings and retirement solutions will become increasingly important. Here, too, we have unique advantages as a global, fully-integrated asset and wealth manager.

Jain: – Technology is transforming the way we reach our clients. More than ever, they connect with us through smartphones, laptops and other mobile devices. This is an opportunity we are determined to grasp. Our industry is consolidating in both the U.S. and Europe, and this trend will continue. Deutsche Bank is uniquely poised as a consolidator, particularly in Europe.

So Deutsche Bank’s strategic vision remains unchanged?

Fitschen: – Absolutely. We have made significant progress so far, and we’re confident that we will build on that momentum, deliver Strategy 2015+ and position Deutsche Bank as a winner in the post-2015 environment. We aspire to be the leading client-centric global universal bank, and we reaffirm that vision. We stay the course.

Frankfurt am Main, March 2014
# Deutsche Bank

## The Group at a glance

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>Share price at period end</td>
<td>€34.68</td>
<td>€32.95</td>
</tr>
<tr>
<td>Share price high</td>
<td>€38.73</td>
<td>€39.51</td>
</tr>
<tr>
<td>Share price low</td>
<td>€29.41</td>
<td>€22.11</td>
</tr>
<tr>
<td>Basic earnings per share</td>
<td>€0.67</td>
<td>€0.28</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>€0.65</td>
<td>€0.27</td>
</tr>
<tr>
<td>Average shares outstanding, in m., basic</td>
<td>997</td>
<td>934</td>
</tr>
<tr>
<td>Average shares outstanding, in m., diluted</td>
<td>1,025</td>
<td>980</td>
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<tr>
<td>Book value per basic share outstanding</td>
<td>€53.24</td>
<td>€65.37</td>
</tr>
<tr>
<td>Tangible book value per basic share outstanding</td>
<td>€39.69</td>
<td>€42.26</td>
</tr>
<tr>
<td>Pre-tax return on average shareholders’ equity</td>
<td>2.6%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Pre-tax return on average active equity</td>
<td>2.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Post-tax return on average shareholders’ equity</td>
<td>1.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Post-tax return on average active equity</td>
<td>1.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Cost/income ratio</td>
<td>89.0%</td>
<td>92.5%</td>
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<tr>
<td>Compensation ratio</td>
<td>38.6%</td>
<td>40.0%</td>
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<tr>
<td>Noncompensation ratio</td>
<td>50.3%</td>
<td>52.5%</td>
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<tr>
<td>Total net revenues</td>
<td>31,915 m.</td>
<td>33,736 m.</td>
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<td>Provision for credit losses</td>
<td>2,065</td>
<td>1,721</td>
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<tr>
<td>Total noninterest expenses</td>
<td>28,394 m.</td>
<td>31,201 m.</td>
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<tr>
<td>Income before income taxes</td>
<td>1,456 m.</td>
<td>814 m.</td>
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<tr>
<td>Net income</td>
<td>681 m.</td>
<td>316 m.</td>
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<tr>
<td>Total assets</td>
<td>1,611 bn.</td>
<td>2,022 bn.</td>
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<tr>
<td>Total shareholders’ equity</td>
<td>54.7 bn.</td>
<td>54.0 bn.</td>
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<tr>
<td>Common Equity Tier 1 capital ratio</td>
<td>12.8%</td>
<td>11.4%</td>
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<tr>
<td>Tier 1 capital ratio</td>
<td>16.9%</td>
<td>15.1%</td>
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<tr>
<td>Number of branches</td>
<td>2,907</td>
<td>2,984</td>
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<tr>
<td>thereof in Germany</td>
<td>1,924</td>
<td>1,944</td>
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<tr>
<td>Number of employees (full-time equivalent)</td>
<td>98,254</td>
<td>98,219</td>
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<tr>
<td>thereof in Germany</td>
<td>46,377</td>
<td>46,308</td>
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<td>Moody’s Investors Service</td>
<td>A2</td>
<td>A2</td>
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<tr>
<td>Standard &amp; Poor’s</td>
<td>A</td>
<td>A+</td>
</tr>
<tr>
<td>Fitch Ratings</td>
<td>A+</td>
<td>A+</td>
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</tbody>
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1 We calculate this adjusted measure of our return on average shareholders’ equity to make it easier to compare us to our competitors. We refer to this adjusted measure as our “Pre-tax return on average active equity”. However, this is not a measure of performance under IFRS and you should not compare our ratio based on average active equity to other companies’ ratios without considering the differences in the calculation of the ratio. The items for which we adjust the average shareholders’ equity of €56.1 billion for 2013 and €55.6 billion for 2012 are average dividends of €646 million in 2013 and €670 million in 2012, for which a proposal is accrued on a quarterly basis and which are paid after the approval by the Annual General Meeting following each year.
The Deutsche Bank Share

Useful information on the Deutsche Bank share

### 2013
- **Change in total return**\(^1\) 7.47%
- **Share in equities trading (Xetra)**\(^1\) 5.86%
- **Average daily trading volume**\(^2\) 6.2 million shares
- **Share price high** €38.73
- **Share price low** €29.41
- **Dividend per share (proposed for 2013)** €0.75

### As of December 31, 2013
- **Issued shares** 1,019,499,640
- **Outstanding shares** 1,019,327,736
- **Share capital** 2,609,919,078.40
- **Market capitalization** €35.37 billion
- **Share price**\(^3\) €34.68
- **Weighting in the DAX** 4.36%
- **Weighting in the Euro STOXX 50** 1.84%

### Securities identification codes

<table>
<thead>
<tr>
<th>Deutsche Börse</th>
<th>New York Stock Exchange</th>
<th>Global Registered Share</th>
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<tbody>
<tr>
<td>Symbol</td>
<td>Registered share</td>
<td>Type of issue</td>
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<td>WKN</td>
<td>DBK</td>
<td>Currency</td>
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<tr>
<td>ISIN</td>
<td>DE0006140008</td>
<td>Symbol</td>
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<td></td>
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<thead>
<tr>
<th>Reuters</th>
<th>Bloomberg</th>
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<tr>
<td>DBKGn.DE</td>
<td>DBK GR</td>
</tr>
</tbody>
</table>

1 Share price based on Xetra
2 Order book statistics (Xetra)
3 Xetra closing price
Group Executive Committee

1 Jacques Brand, *1960
    Chief Executive Officer of North America

2 Alan Cloete, *1962
    Co-Chief Executive Officer of Asia Pacific

3 Gunit Chadha, *1961
    Co-Chief Executive Officer of Asia Pacific

4 Colin Grassie, *1961
    Chief Executive Officer of the UK

5 Stuart Lewis, *1965
    Management Board member since 2012.
    Chief Risk Officer

6 Rainer Neske, *1964
    Management Board member since 2009.
    Head of Private & Business Clients

7 Robert Rankin, *1963
    Co-Head of Corporate Banking & Securities and Head of Corporate Finance

8 Colin Fan, *1973
    Co-Head of Corporate Banking & Securities and Head of Markets

9 Stefan Krause, *1962
    Management Board member since 2008.
    Chief Financial Officer
Jürgen Fitschen, *1948  
Management Board member since 2009.  
Co-Chairman of the Management Board and the Group Executive Committee

Anshuman Jain, *1963  
Management Board member since 2009.  
Co-Chairman of the Management Board and the Group Executive Committee

Michele Faissola, *1968  
Head of Deutsche Asset & Wealth Management

Werner Steinmüller, *1954  
Head of Global Transaction Banking

Christian Ricken, *1966  
Chief Operating Officer of Private & Business Clients

Stephan Leithner, *1966  
Management Board member since 2012.  
Chief Executive Officer Europe (except Germany and UK), Human Resources, Legal, Compliance, Government & Regulatory Affairs

Henry Ritchotte, *1963  
Management Board member since 2012.  
Chief Operating Officer

Richard Walker, *1950  
General Counsel

David Folkerts-Landau, *1949  
Chief Economist and Global Head of Research
The Supervisory Board
from left to right:

Frank Bsirske
Dina Dublon
Stephan Szukalski
Suzanne Labarge
John Cryan
Henriette Mark
Dr. Johannes Teyssen
Bernd Rose
Sabine Irrgang
Peter Löscher

Dr. Paul Achleitner
Alfred Herling
Gabriele Platscher
Katherine Garrett-Cox
Professor Dr. Klaus Rüdiger Trützschler
Rudolf Stockem
Professor Dr. Henning Kagermann
Martina Klee
Timo Heider
Georg F. Thoma

Dear Shareholders,

The past year was eventful and ultimately very challenging for your bank. Independent of the difficult economic conditions in many markets and the extensive changes taking place within the bank as part of Strategy 2015+, regulatory and legal issues came to the fore. These had a considerable impact on the bank both internally and externally.

Consequently, the Supervisory Board’s focus was divided roughly equally between our supervisory duties and our role as an advisory body. To fulfill our responsibilities, we not only met formally a total of 39 times in 2013, but we also organized ourselves more effectively. Your Supervisory Board has at its disposal not only a high level of professional expertise, but also an expanded committee structure which enables each member to contribute detailed and focused input.

**Integrity Committee**: First to mention here is the newly formed Integrity Committee, which looks closely at legal matters, reputational issues and general questions relating to social responsibility. It also monitors the bank’s cultural change process. After it was established in May 2013, the committee met five times under the chairmanship of Georg F. Thoma to discuss complex matters relating to legal and regulatory matters. During these meetings, it not only discussed specific cases but also considered their possible consequences for organizational change and future conduct. We believe, that by forming the Integrity Committee, we have created a best practice example for addressing environmental, social and governance (ESG) issues.

**Audit Committee**: Following his election last May, John Cryan assumed the chair of the Audit Committee from Dr. Karl-Gerhard Eick. We would like to take this opportunity to thank Dr. Eick once again for his nine years of service for Deutsche Bank. The Audit Committee met a total of eleven times in 2013 and analyzed the financials intensively on each occasion. It examined individual balance sheet items and looked at how the bank had dealt with specific inquiries from regulators. One focal point was how the bank addressed the issues raised by Group Audit. The appointment of external auditors also received particular scrutiny in light of the contesting lawsuits. The restructuring of the Group Audit function and an assessment of the bank’s risk systems featured prominently on the Audit Committee’s full agenda.

**Risk Committee**: A clear division of responsibilities between the Integrity Committee and the Risk Committee, which met six times in 2013, made it possible for the Risk Committee to focus less on legal risks and more on market, credit and operational risks. Given the difficult and, at times, very volatile market environment, this was crucial in 2013. The overlapping memberships in the Risk, Integrity and Audit Committees ensured close cooperation between these committees. Other topics discussed intensively...
included the EU requirements for recovery and resolution plans as well as the preparations for the upcoming stress tests by the European Banking Authority and the asset quality review by the European Central Bank.

**Compensation Control Committee:** Under the Capital Requirements Directive IV Implementation Act, Deutsche Bank is required in accordance with section 25d (12) of the German Banking Act to establish a separate Compensation Control Committee. The role of this committee is not only to advise the Supervisory Board on Management Board compensation, but also to support the Supervisory Board in monitoring the appropriateness of compensation structures for all employees of the bank. In this regard, the committee’s duties pursuant to the German Banking Act go beyond the scope of the German Stock Corporation Act’s provisions. To ensure an efficient start, we established the Compensation Control Committee last year. This allowed its members to take part in two workshops and engage in private study to familiarize themselves with the issues at hand. As a result, they were already able to contribute to reviewing the 2013 compensation round.

**Nomination Committee:** Although the bank already had a Nomination Committee, as required by the German Corporate Governance Code, it was previously tasked with seeking suitable shareholder representatives for the Supervisory Board and presenting them to the full Supervisory Board in preparation for the proposal for their election at the General Meeting. With effect from January 1, 2014, new requirements under the German Banking Act also apply. Now, the Nomination Committee is required not only to support the Supervisory Board in selecting shareholder representatives, but also in appointing Management Board members. Furthermore, it also has to perform an annual assessment of the Management Board and Supervisory Board, evaluating both boards in their entirety as well as each member individually. As is the case with the Compensation Control Committee, legislators have gone a step further here and require the Nomination Committee to review the selection criteria for the second management level. In the light of these expanded duties, representatives of the employees have also been appointed to the Nomination Committee. The Supervisory Board will submit a proposal to the Annual General Meeting for the Nomination Committee’s work to be compensated accordingly in the future.

**Chairman’s Committee:** This committee met eight times in 2013, addressing general governance issues as well as specific Management Board matters. Its tasks also included the preparation of our plenary sessions and the strategy workshop as well as the organizational restructuring of the committees specified above and their terms of reference. The preparations for the two General Meetings in 2013 and overseeing the bank’s capital increase also required our attention. During the year, we also prepared a review of the efficiency of the work of the full Supervisory Board and identified further potential for improvement, which includes enhanced training programs.
Supervisory Board: In addition to the seven regular plenary sessions, we also held a two-day strategy workshop in 2013. For the first time, the Chairmen of the Management Board also participated in parts of this workshop. The focus here was on strategy, regulatory issues and succession planning. Furthermore, we held two-day introductory seminars on bank-specific issues aimed primarily, but not exclusively, at new members of the Supervisory Board. These seminars were widely attended, as were external training courses tailored to individual needs.

In addition to the work in the committees and full Supervisory Board, regular discussions also take place not only between the Chairman and Deputy Chairman of the Supervisory Board, but also among the three committee chairmen and with the Management Board.

We hope that this overview, which is complemented by the more detailed description in the Report of the Supervisory Board beginning on page 451 of the Financial Report, demonstrates how seriously we take our responsibilities. The topics covered in great detail in last year’s letter, especially our understanding that we have an obligation and responsibility to you in return for the trust you place in us, once again served to guide us through challenging times. We are convinced that Deutsche Bank will succeed in realizing its full potential to become the leading client-centric universal bank. One of the main reasons for this optimism lies in the quality of our employees. We thank them for their tireless work over what has been a very challenging year.

We still have a long way to go to achieve the social and competitive position you can expect. Improving Deutsche Bank’s reputation, also in the light of its less than satisfactory net results in 2013, will be essential. But, as the saying goes, even the longest journey begins with a single step. Over the past year, we already took many steps forward – and our destination is clear. Thank you for your support!

On behalf of the Supervisory Board,

Dr. Paul Achleitner
Chairman

Alfred Herling
Deputy Chairman

Frankfurt am Main, March 2014
Corporate Profile and Overview
A leading global universal bank with a clear strategy

In brief

- Leader in German home market, outstanding position in Europe
- Core businesses delivered sound operating profitability
- Committed to further strengthening capital and leverage ratios

Deutsche Bank is a leading global universal bank. Its businesses encompass a wide range of products and services in investment banking, private and commercial banking, transaction banking as well as in asset and wealth management. The Group operates in all regions of the world. Deutsche Bank is the leader in its German home market and enjoys a strong competitive position in Europe, North America as well as in key emerging markets, particularly in Asia.

Management structure
Since June 1, 2012, Jürgen Fitschen and Anshu Jain have been Co-Chairmen of the Management Board and the Group Executive Committee (GEC).

The prime responsibilities of the Management Board of Deutsche Bank AG include the Group’s strategic management, resource allocation, financial accounting and reporting, risk management and corporate control. The Management Board is supported in the performance of its leadership and oversight duties by central infrastructure units and other service departments, as well as functional and regional committees chaired by its members.

The GEC comprises the members of the Management Board and senior representatives from the regions, corporate divisions and certain infrastructure functions.

The GEC serves to coordinate the businesses and regions. Its prime tasks and responsibilities include the ongoing provision of information to the Management Board on business developments and important transactions, the regular review of business segments, consultation with and advising of the Management Board on strategic decisions and the identification of decisions to be considered by the Management Board.
Management structure

Management Board

Group Executive Committee
Management Board
Business Heads/Regional Heads/Infrastructure Heads

Corporate Banking & Securities
Global Transaction Banking
Deutsche Asset & Wealth Management
Private & Business Clients
Non-Core Operations Unit

Functional Committees

Regional Committees

Corporate Divisions
Deutsche Bank comprises five corporate divisions: Corporate Banking & Securities (CB&S), Global Transaction Banking (GTB), Deutsche Asset & Wealth Management (DeAWM), Private & Business Clients (PBC) and the Non-Core Operations Unit (NCOU).

Corporate Banking & Securities
CB&S consists of the Markets and the Corporate Finance Business Divisions. The Markets Business Division combines the sales, trading and structuring of a wide range of financial market products, including bonds, equities and equity-linked products, exchange-traded and over-the-counter derivatives, foreign exchange, money market instruments, securitized instruments and commodities.

Corporate Finance is responsible for mergers and acquisitions, as well as debt and equity advisory and origination. Regional and industry-focused teams ensure the delivery of the entire range of financial products and services.

Global Transaction Banking
GTB provides domestic and cross-border payments, risk mitigation and international trade finance for corporate clients and financial institutions across the globe. GTB also offers trust, agency, depositary, custody and related services.

Deutsche Asset & Wealth Management
DeAWM helps individuals and institutions worldwide to preserve and increase their wealth. DeAWM offers traditional and alternative investments across all major asset classes, as well as tailored wealth management solutions and private banking services to high net worth clients and family offices. DeAWM clients can draw on Deutsche Bank’s entire range of wealth and asset management capabilities as well as a comprehensive selection of first-class products and solutions, also by third-party providers.
Private & Business Clients

PBC provides banking and other financial services to private customers, self-employed clients as well as small and medium-sized businesses in Germany and internationally. PBC’s product range includes payment and current account services, investment management and retirement planning, securities as well as deposits and loans.

PBC is a leading retail bank in Deutsche Bank’s home market, Germany, with a franchise in Italy, Spain, Belgium, Portugal, Poland and India. In China, PBC cooperates closely with Hua Xia Bank in which it holds a 19.99% stake and is its second largest shareholder.

Non-Core Operations Unit

The Non-Core Operations Unit (NCOU) was established in late 2012 and is responsible for selling capital-intensive assets that are not core to the bank’s new strategy, thereby reducing risk and capital demand. This also allows management to focus on strategic core operations and, at the same time, increases the transparency of external reporting.

Central Infrastructure


These support the Management Board through their strategy, risk management and control functions. Most of the processes required for this are globally integrated into the business divisions, but have their own independent reporting lines.

Strategy 2015+

Strategy 2015+ was launched in September 2012. It sets out how Deutsche Bank plans to address the current challenges and to successfully position itself in a changed environment characterized by macroeconomic uncertainties, increasing regulation, historically low interest rates, growing margin pressure and, not least, a critical public perception of the financial industry. Strategy 2015+ enables the bank to seize opportunities presented by longer-term global trends, including the strong growth in and increasing significance of emerging markets, demographic change and technological advances.

With Strategy 2015+, Deutsche Bank is reinforcing its commitment to the universal banking model, which best meets the increasingly complex requirements of its clients. Moreover, the bank is reinforcing its commitment to its home market, Germany, where it has deep roots and is a clear market leader, as well as to its global presence. This enables Deutsche Bank to deliver its global product expertise locally to clients in 71 countries. Strategy 2015+ emphasizes the need to become even more client-centric, enhance efficiency and business performance, strengthen the bank’s capital position, further reduce risks and change its culture. This is how Deutsche Bank wants to achieve its vision of becoming the leading client-centric global universal bank.
Global presence

Present in 71 countries worldwide

Major regional hubs:
Frankfurt am Main, London, New York, São Paulo, Dubai, Singapore, Hong Kong

Five levers are key to Deutsche Bank’s delivery of Strategy 2015+:

Clients. Deutsche Bank serves a targeted portfolio of clients and regions based on its ability to generate value for them. The bank is focused on growth in its home market, Germany, in Asia Pacific and in the Americas. Since the launch of Strategy 2015+, Deutsche Bank has aligned its organization more closely to its clients. For instance, the bank created a dedicated platform for Germany’s small and medium-sized companies (the Mittelstand), intensified local coverage across regions and strengthened cross-divisional collaboration.

Competencies. Deutsche Bank’s strategy is also based on the strengths of its businesses. The bank believes that its four core corporate divisions – Corporate Banking & Securities, Private & Business Clients, Global Transaction Banking and Deutsche Asset & Wealth Management – satisfy the increasingly complex and global needs of the bank’s clients and balance the earnings mix. In 2013, the core businesses delivered sound operating profitability. Adjusted for specific items, these results were close to the best ever. This good operating performance enabled Deutsche Bank to reduce legacy items, drive forward the reduction of risk and make investments to enhance our operating platform.
Capital. Deutsche Bank is committed to further strengthening its capital and leverage ratios. Under full application of Basel 3 rules, the bank aims to achieve a Common Equity Tier 1 (CET1) ratio of more than 10% by the first quarter of 2015. The CET1 ratio improved from below 6% in June 2012 to 9.7% at the end of December 2013, and is thus already well within reach of the 2015 target. During the same period, the bank also significantly scaled back its leverage exposure (based on the Capital Requirements Directive IV rules, CRD IV). The Non-Core Operations Unit, which manages the reduction of assets from non-core business activities, made a strong contribution to this de-leveraging.

Costs. Deutsche Bank aims to secure its long-term competitiveness by building a modern and efficient platform through its Operational Excellence (OpEx) program: increasing the quality of products and services, strengthening the flexibility of the franchise, reinforcing controls and embedding a culture of cost efficiency. Through investments of approximately €4 billion, the bank intends to achieve annual cost savings of €4.5 billion by 2015. The program is making good progress. By the end of 2013, Deutsche Bank had already delivered cumulative savings of €2.1 billion. We saved money by becoming more efficient, buying smarter, upgrading technology and streamlining the businesses.

Culture. Deutsche Bank recognizes the need for cultural change in the banking sector and aspires to be at the forefront of change. The bank is committed to a culture that aligns risks and rewards, attracts and develops talented individuals, fosters teamwork and partnership, and is sensitive to the society in which it operates. In 2013, Deutsche Bank laid the foundations for cultural change. It defined new values and beliefs, strengthened its governance and control mechanisms, reformed its compensation model and established a program for sustainable change.

In summary, Strategy 2015+ seeks to strengthen the bank’s global platform and home market position, further leverage the integrated performance of the universal banking model, build capital strength, achieve operational excellence and cost efficiency, and place Deutsche Bank at the forefront of cultural change in the banking industry. Deutsche Bank believes that Strategy 2015+ is the right course for the future and that it will emerge as one of only a handful of strong global universal banks, well positioned to capture future opportunities.

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

We serve shareholders best by putting our clients first and by building a global network of balanced businesses underpinned by strong capital and liquidity.

We value our German roots and remain dedicated to our global presence.

We commit to a culture that aligns risks and rewards, attracts and develops talented individuals, fosters teamwork and partnership and is sensitive to the society in which we operate.
Corporate Governance
Corporate governance based on best practices

In brief

- Integrity Committee established to monitor compliance with acceptable business conduct
- Global unit integrates initiatives to improve corporate governance
- Compensation reformed

Effective corporate governance in accordance with high international standards is very important to Deutsche Bank. In line with today’s increased focus on corporate governance issues, the bank established a Global Corporate Governance function, aimed at strengthening its numerous corporate governance initiatives.

Deutsche Bank’s system of corporate governance provides the basis for the responsible management and control of the bank, with a focus on sustainable value creation. It has five key elements: effective decision-making on the basis of appropriate information, good relations with shareholders, effective cooperation between the Management Board and Supervisory Board, a performance-based compensation system with a sustainable and long-term focus, as well as transparent and timely reporting.

The essential framework for the corporate governance of Deutsche Bank AG is provided, first and foremost, by the German Stock Corporation Act and the German Corporate Governance Code. As the Deutsche Bank share is also listed on the New York Stock Exchange, the bank is subject to the relevant U.S. capital markets laws as well as the rules of the Securities and Exchange Commission and New York Stock Exchange. Furthermore, the bank also takes into account European and international developments and discussions to enhance its corporate governance further.

Shareholders
Deutsche Bank’s shareholders are one of its key stakeholders. The bank wants to intensify the relationship with its shareholders and encourage strong shareholder participation at Annual General Meetings. Shareholders participate in decisions of material importance to the bank, including amendments to the Articles of Association, the appropriation of profit, the authorization to issue new shares and important structural changes.

Deutsche Bank has only one class of shares, with each share carrying one voting right.

To make it easier for shareholders to exercise their voting rights, the bank offers absentee voting and supports the use of electronic media for the Annual General Meeting. For example, shareholders can issue authorizations and voting instructions to Deutsche Bank’s proxies through the internet.
Management Board
The Management Board is responsible for managing the company and exercises control over Deutsche Bank Group. It ensures compliance with all provisions of law and company policies. The members of the Management Board, together with senior representatives from the regions, corporate divisions and infrastructure functions, form the Group Executive Committee (GEC). This Committee performs advisory, coordinating and decision-preparing functions for the Management Board. These involve making preparations for the Management Board’s discussions of strategy as well as for the monitoring of the implementation of bank-wide strategic initiatives and changes in corporate structures.

In agreement with the Supervisory Board, the Management Board has established several committees that report directly to the Management Board. Furthermore, the Management Board may establish further committees.

Supervisory Board
The Supervisory Board oversees and advises the Management Board in its management of Deutsche Bank. Major decisions affecting the bank require Supervisory Board approval. The Supervisory Board may specify the information and reporting duties of the Management Board beyond what is required by law, appoints the members of the Management Board and creates succession plans for the Management Board. The Supervisory Board reviews the efficiency of its work on a regular basis.

In 2013, the Supervisory Board had seven committees: the Mediation Committee, Chairman’s Committee, Audit Committee, Risk Committee, Nomination Committee, Compensation Control Committee and Integrity Committee. The last two committees were established in 2013. While the Compensation Control Committee is required by law, the Integrity Committee was voluntarily established by the Supervisory Board. It is intended to regularly advise and monitor the Management Board with regard to its measures to ensure the economically sound, sustainable development of the company while protecting the resources of the natural environment, maintaining social responsibility and observing the principles of sound, responsible management and corporate governance.

To carry out its tasks, the Supervisory Board takes care to ensure that it has a balanced composition and that its members collectively possess the required knowledge, ability and expertise. Furthermore, the Supervisory Board encourages diversity in the company, in particular when appointing members to the Management Board and making proposals for the election of the Supervisory Board.

In light of Deutsche Bank’s international activities, the Supervisory Board has an appropriate number of members with long-term international experience. The Supervisory Board also has a sufficient number of independent members.

Compensation
Criteria for the variable portions of Management Board members’ compensation were realigned in April 2013, following the completion of an independent review of the bank’s compensation systems commissioned by the Supervisory Board. Already in 2013, the bank placed a stronger focus on qualitative aspects so that variable compensation is determined not just on the basis of financial targets, but also on “how” performance is achieved. Factors for determining the level of annual variable compensation include Group-wide and individual performance metrics linked to a sustainable development of earnings. Management Board members’ variable compensation has two components and takes into account a “Culture and Client Factor”, which is
aligned to Strategy 2015+ and the cultural change introduced at Deutsche Bank. Most of the variable compensation is granted on a deferred basis and subject to specific forfeiture conditions. At least 50% of the total variable compensation is equity-based and thus linked to the long-term success of Deutsche Bank.

In accordance with the new recommendations of the German Corporate Governance Code, Supervisory Board members’ compensation no longer comprises variable components and meeting fees. However, Supervisory Board members’ fixed annual compensation was increased. Additional fixed annual compensation levels for committee membership and committee function were also adjusted to better reflect the actual workload and level of complexity of the required tasks. The chair and the deputy chair of the Supervisory Board as well as the chairs and members of the Supervisory Board committees, with the exception of the Nomination Committee and Mediation Committee, receive this additional compensation.

The individual compensation of members of the Management Board and Supervisory Board as well as the structure of the compensation system are published in the Compensation Report.

Financial reporting
Shareholders and the public are regularly kept up to date through the Annual Report, including the Consolidated Financial Statements, as well as the Interim Reports. The reporting of Deutsche Bank Group is in accordance with International Financial Reporting Standards (IFRS). This provides for a high degree of transparency in financial reporting and facilitates comparability with international peers.

Declaration of Conformity
On October 29, 2013, the Management Board and Supervisory Board published the annual Declaration of Conformity pursuant to section 161 of the German Stock Corporation Act. This states that Deutsche Bank AG acts in conformity with the recommendations of the German Corporate Governance Code in the version dated May 13, 2013, with two exceptions. The first exception relates to No. 4.2.3 (3) of the Code, according to which the Supervisory Board shall define the targeted pension level to be reached with a pension scheme, taking into account the annual and long-term expense for the company. However, the defined contribution plan for members of the Management Board of Deutsche Bank AG does not aim at achieving a specific level of pensions. The second exception relates to Code No. 5.3.3, which recommends the establishment of a Nomination Committee composed solely of shareholder representatives. The Capital Requirements Directive IV Implementation Act of August 28, 2013, however, stipulates that the Nomination Committee of the Supervisory Board of Deutsche Bank AG must take on additional tasks that should be handled not solely by the shareholder representatives on the Supervisory Board. Thus, the Nomination Committee now also comprises employee representatives. However, it will be ensured that the candidate recommendations for the election proposals to the General Meeting will be made exclusively by the Committee’s shareholder representatives.

Deutsche Bank’s detailed Corporate Governance Report, along with the Corporate Governance Statement for 2013 and other documents on corporate governance, such as the terms of reference for the Management Board, the Supervisory Board and its committees, are available on the internet.

Deutsche Bank continually checks its system of corporate governance in light of new events, statutory requirements and domestic and international standards, and makes the appropriate adjustments.
Culture
Cultural change – laying the foundations for our future success

In brief

- Cultural change is core component of Strategy 2015+
- New values and beliefs defined as a result of intensive consultations
- Integration into business policies and day-to-day business conduct

Culture is at the heart of how any business operates. It reflects the values and beliefs that a company stands for. It guides behavior, decision-making and most importantly how the organization serves its clients and society at large. We firmly believe that corporate culture is one of the key factors to the bank’s long-term success. That is why cultural change is a core component of Strategy 2015+

Going forward, Deutsche Bank aims to be at the forefront of cultural change in the financial services sector. Accomplishing this transition is one of our prime objectives. Deutsche Bank can only be strong and successful if everything we do is built on a sound foundation. We have reaffirmed our commitment to our stakeholders: clients, shareholders, staff and society and wish to highlight the valuable role that banks play in the economy and the communities they serve.

Integrity and responsibility are core principles on which cultural change rests. That is why, in 2013, we defined a clear set of values and beliefs, established guiding principles, tightened the bank’s control environment and incorporated the values and beliefs in our performance management processes.

Intensive consultation to define new values and beliefs
In 2013, Deutsche Bank launched the most extensive staff consultation in recent years, asking some 52,000 employees to contribute their opinions, expectations and ideas. Their feedback was complemented by in-depth discussions and workshops at the senior management level. As an outcome of this process, we defined six core values for Deutsche Bank: Integrity, Sustainable Performance, Client Centricity, Innovation, Discipline and Partnership. Each of the values rests on a set of three beliefs to guide us in everything we do. All top 250 senior leaders unanimously subscribed to the new values and beliefs at the Senior Management Conference on July 10, 2013. The bank announced its new values and beliefs to employees and the public on July 24, 2013.

Our values will guide our behavior in future. They will help us to conduct business with the utmost integrity, to create long-term value for our shareholders and to nurture the best talent. We will maintain an unwavering focus on serving our clients effectively. At the same time, we will work to constantly improve our processes and encourage accountability and entrepreneurial drive.
## Our values

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<th>Integrity</th>
<th>Sustainable Performance</th>
<th>Client Centricity</th>
<th>Innovation</th>
<th>Discipline</th>
<th>Partnership</th>
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### Our beliefs

- **We live by the highest standards of integrity in everything we say and do**
  - We drive value for shareholders by putting long-term success over short-term gain
  - We earn our clients’ trust by placing them at the core of our organisation
  - We foster innovation by valuing intellectual curiosity in our people
  - We protect the firm’s resources by always thinking and acting like owners
  - We build diverse teams to generate better ideas and reach more balanced decisions

- **We will do what is right – not just what is allowed**
  - We encourage entrepreneurial spirit which responsibly balances risks and returns
  - We deliver true value by understanding and serving our clients’ needs best
  - We enable our clients’ success by constantly seeking suitable solutions to their problems
  - We live by the rules and hold ourselves accountable to deliver on our promises – no excuses
  - We put the common goals of the firm before ‘silo’ loyalty by trusting, respecting and working with each other

- **We communicate openly; we invite, provide and respect challenging views**
  - We pursue lasting performance by developing, nurturing and investing in the best talent, and by managing based on merit
  - We strive to pursue mutually beneficial client relationships in which the value created is shared fairly
  - We continuously improve our processes and platforms by embracing new and better ways of doing things
  - We achieve operational excellence by striving to ‘get it right the first time’
  - We act as responsible partners with all our stakeholders and regulators, and in serving the wider interests of society

### Raising awareness of the values and beliefs across the bank

The bank expects every one of its employees to live its values and beliefs in their everyday work as this is the only way the new principles will have any material impact. With this in mind, the bank communicated the core elements of the values and beliefs to all our employees through a variety of channels, including workshops, townhall meetings and many bilateral discussions. The bank underpins these values by including them in objective setting and performance evaluations. Most importantly, the bank’s approach is to start at the top, with senior managers living by the highest standards of integrity in all that they do and setting an example to guide staff behavior.

Cultural change affects all parts of Deutsche Bank. Essential actions range from changing the way we reward our management and people to strengthening governance and control mechanisms to changing the way we conduct our day-to-day business. Many of these steps have already been implemented, but we continue to improve our policies and conduct by embracing new and better ways of doing things.

In a survey launched in November 2013, 94% of Deutsche Bank’s employees confirmed that they are aware of our new values and beliefs. This is a good sign that we are on the right track.

Cultural change is often met with skepticism and the process takes time. But we are committed to implementing cultural change across the organization. It is without doubt the most crucial part of Strategy 2015+ and the key to Deutsche Bank’s long-term success. Ultimately, we will be measured by the way we combine our performance culture with a culture of responsibility.