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– Check against delivery –

Ladies and Gentlemen,

journalists and media representatives in the audience,

A warm welcome from me to our Annual Media Conference.

Let me come straight to the point. We made a loss again in 2017. Yes, it is the third reported loss in a row. However, I'd like to make clear that we recorded our first pre-tax profit since 2014. Excluding the non-cash charge we took as a result of US tax reform, I would instead be presenting you a net profit of almost 1 billion euros today, after a loss of 6.8 billion euros in 2015 and of 1.4 billion euros in 2016.

Obviously, a profit of 1 billion euros would not have been a satisfactory result for us, either. But it would make it easier to see where we really stand. It would show that we have put our house in order, that we are on the right track.

When I took up this post two and a half years ago, I aimed to bring Deutsche Bank to a position where it could achieve its full potential. It has always been clear that it would take more than two or three years. Despite a number of setbacks, we are making good progress in that direction.

Three phases of restructuring

In this context, I would like to recap briefly where we stood in July 2015:

- We had billions of euros of legacy items on our balance sheet and a large number of unresolved litigation cases.
- There were persistent doubts about the adequacy of our regulatory capital.
- Our control systems had to be improved.
- Our IT was antiquated and far too complex.
- Our business was divided into many internal silos.
- Our reputation was at rock bottom.

Together we have led the bank out of this situation. We had to take many hard decisions which meant a short-term burden for our results, but which will be for the long-term benefit of the bank. We didn't want to kick the can any further down the road.

The restructuring of our bank could be divided into three phases, although these phases are not strictly separate.

Phase 1

In the first phase we were focused primarily on getting our house in order – this is still ongoing, though we are approaching the end of this phase. We strengthened our internal controls, resolved important legal matters, made our bank simpler and easier to manage, and normalised our relationship with regulators.

Here are some of the things that we have achieved since the end of 2015:

- We have significantly reduced our legal and regulatory risks. Of the 20 key cases that still accounted for around 90 percent of our legal risks two years ago, 15 have now been largely or fully resolved.
- Simultaneously, we continued to tighten our internal controls. We increased the number of employees in our Anti-Financial Crime and Compliance departments to reach more than 2,500 today. Now we are also investing in new technology to automate controls and to make our processes more reliable.
- We have removed significant legacy items from the balance sheet. A year ago, we successfully wound down the Non-Core Operations Unit, NCOU, earlier than originally expected. Over its lifetime, the NCOU helped to improve our Common Equity Tier 1 capital ratio by approximately two percentage points. This had a positive effect which was comparable to our subsequent capital increase.
- Moreover, our bank is significantly less complex and, at the same time, more technology-driven:
  - We are no longer using 45 different operating systems, having reduced the number to 32, and we continue to make progress on this.
  - In recent years we have exited from businesses that were no longer compatible with our strategy.
  - We have also left locations where we saw few prospects. We have virtually withdrawn from 10 countries and substantially reduced or made major adjustments to our operations in an additional seven. We completed this country programme in autumn 2017 – within a mere 18 months – well ahead of the 36 months that we had planned.

Phase 2

In parallel our environment did change: certain market conditions worsened, and against the backdrop of the initial claims from the US Department of Justice clients were questioning the safety of our bank. We reacted when commencing Phase 2 of our rebuild in early 2017. The objectives were to strengthen our capital base and improve our bank’s organisation.

- We raised 8 billion euros of capital, we dispelled all remaining doubt about our financial strength, and our capital ratio of 14 percent makes us one of the leaders in our peer group.

- Simultaneous with the capital increase we also announced a realignment of our business divisions:

  - We have formed an integrated Corporate & Investment Bank focused especially on international corporates. It has a leading position in Europe and a global network.

  - We are in the process of creating by far the largest private and commercial bank in Germany with more than 20 million clients – a clear commitment to our home market. Key to this was our reversing the decision made in spring 2015 to sell Postbank. Economies of scale are becoming increasingly important – especially in the light of digitalisation. Over 11 million clients are already using our digital offerings.

    In future we will have two brands – but with one legal entity, one IT system and a single management team. The integration is making progress as planned.

    We can build on what Deutsche Bank and Postbank have each achieved in the past months and years. At Deutsche Bank, for instance, we have closed almost 190 branches. In the whole Private & Commercial Bank we made about 1,600 job cuts during 2017.

  - Our Asset Management business is well on the way to regaining its previous strength – supported by the prospect of greater autonomy that is already generating new impetus. In the course of the upcoming IPO the entire Asset Management business worldwide will be rebranded as DWS. This, too, represents a commitment to our home market and our roots.

Phase 3

This brings us to Phase 3 of our restructuring. Its focus is on growth while maintaining cost and risk discipline. Our aim is to deliver sustainable profits to our shareholders.

Success with clients

Ladies and gentlemen, we have done a lot in the last two and a half years to set our bank on the right track. Yes, we have recently faced headwinds. However, the business with our clients is regaining steam – in all segments.

1. In Investment Banking (Sales & Trading, Financing and Corporate Finance) we rank sixth worldwide in total revenues for the first three quarters of 2017, according to *Coalition*. This means we remain the largest non-US bank by share of the global revenue pool. In Fixed Income & Currencies (FIC) Trading we still occupy third place. Here, too, we are a pioneer in digitalising the business – we have published parts of the app connectivity code for our Autobahn platform so that clients can connect with our systems more easily.
2. We have been particularly successful in Corporate Finance of late. We climbed from tenth place to sixth in the mergers and acquisitions ranking for 2017, as measured by announced business. In Germany we remain the undisputed No. 1 and succeeded in growing our market share. Recently we were mandated as an advisor on three of the five biggest deals worldwide.
3. Revenues in our Transaction Banking business were impacted by margin pressure and by downsizing the perimeter. However, the second half of 2017 in particular saw us win new mandates again. This should also show up on the revenue side soon.
4. Our Private & Commercial Bank managed to keep operating revenues roughly stable – which is quite impressive given the persistently low interest rates and the ongoing restructuring work. The main reasons were our successes in loans and in investment advisory services. We have gained around 2,500 commercial clients this year, also due to our expanded offering for Mittelstand clients, as regards rates and foreign exchange management, for example.
   We are also making progress in the digital arena. Our successful mobile app has won several prizes and is being continuously further developed. And we have launched a variety of new services – such as ROBIN, the digital investment advisor.
   We continue to develop our Wealth Management business, both online and offline: we have launched new mobile apps while hiring approximately 100 client-facing employees globally.

5. At DWS preparations for the flotation have progressed very well but not at the expense of clients. We are particularly delighted that our clients entrusted us with 16 billion euros of net new money last year. With a market share of new fund sales of about 27 percent we remain the undisputed No. 1 in our home market of Germany. In exchange traded funds (ETFs) we are the European No. 2.

All this shows: we are on the right path. And many of the things I mentioned are not even visible in our results yet.

Of course we will have to be flexible when the market environment or regulatory requirements are changing. There won't be room for stagnation. But it will be about evolution, not revolution.

Q4 results

But what about the weak fourth quarter, you might ask? Our CFO James von Moltke will take you through the preliminary results in a moment, but there are a few important points I would like to make first:

- The 2017 reported loss was primarily a result of the impact of the US tax reform.
- Revenues were down as a result of the challenging trading environment. The fourth quarter was arguably one of the most difficult since 2008, especially for Fixed Income Trading. You need only look at trading revenues at many of our competitors. You don't have to be a great optimist to say that the environment can't remain this harsh in the long run. We have hired more people into our equities business – an area in which our recent performance had been weaker than our peers.
- We are certainly not satisfied at all with our progress on costs. I have to say, though, that the fourth quarter wasn't an accurate picture of where we are in terms of our cost-cutting efforts. James will also go into this at greater length.

What is important to me is that we are committed to our goal of further reducing Deutsche Bank's adjusted costs. For 2018 we aimed for 22 billion euros in adjusted costs. Do bear in mind, though, that we didn't sell certain businesses as we had originally planned. This will result in additional costs of 900 million euros, but also additional revenues of roughly the same amount. With regard to the delayed or suspended disposals, our cost target for 2018 equates to approximately 23 billion euros now.

We still have to be disciplined to achieve our cost target: in some areas, more disciplined than we have previously been.

We have already proven that we can save money. And we have shown that it is entirely possible to reduce Deutsche Bank's expenses by a considerable amount. Within two years we reduced our adjusted costs by 2.6 billion euros. This year, to hit our cost target, we aim to save a further 1 billion euros.

We don't need any spectacular new programmes to get there. It is about decisive cost management – day by day in the entire bank. For quite a long time our managers obviously struggled with cost cutting. Now a new cost culture is gradually emerging.

We are linking staff compensation consistently to the bank's performance. This year's variable compensation includes a one-off investment designed to give the new management of our Corporate & Investment Bank the opportunity to secure our franchise and to strengthen our position in key sectors. In the coming year, these kinds of bonus payments will only be justified if the bank performs correspondingly.

Does that mean we will not be paying our staff as much next year? I don't expect so. I see 2018 as being a successful year for the bank.

Outlook

What makes me so optimistic, you may ask?

- We will take further steps in cutting costs.
- We have a promising pipeline in our origination and advisory business, and client activity is picking up.
- Market volatility is likely to rise. That's what our economists expect. This would help to bring trading activities on the financial markets back to more normal levels.

In the medium term the interest rate environment plays an important role. I'd like to give you some numbers to show you just how important: if the ECB were to raise its key interest rate by just 1 percentage point, our models have estimated that, as a result, we would gain additional revenues of 1.4 billion euros in the first year and 1.6 billion euros in the second year – without any added costs.

Conclusion

I'd like to leave you with some final thoughts: I am convinced that we have put the foundations in place to ensure sustainable progress.

- Are we heading in the right direction? Yes.
- Are we gaining momentum? Yes.
- Are we regaining once lost trust? Yes.
- Are we satisfied with our current results? Absolutely not!

That is why 2018 will be another year of hard work. A year in which we rightly regain our self-belief. A year in which we continue to invest and strive to serve our clients even better than before. And a year in which we aim for a profit – not only before, but of course also after income taxes.

Thank you.