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# Private & Business Clients

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**CFO Private & Business Clients**



**Citigroup German Banking Roundtable**  
**Frankfurt, 19 September 2007**

A Passion to Perform.

**Deutsche Bank**

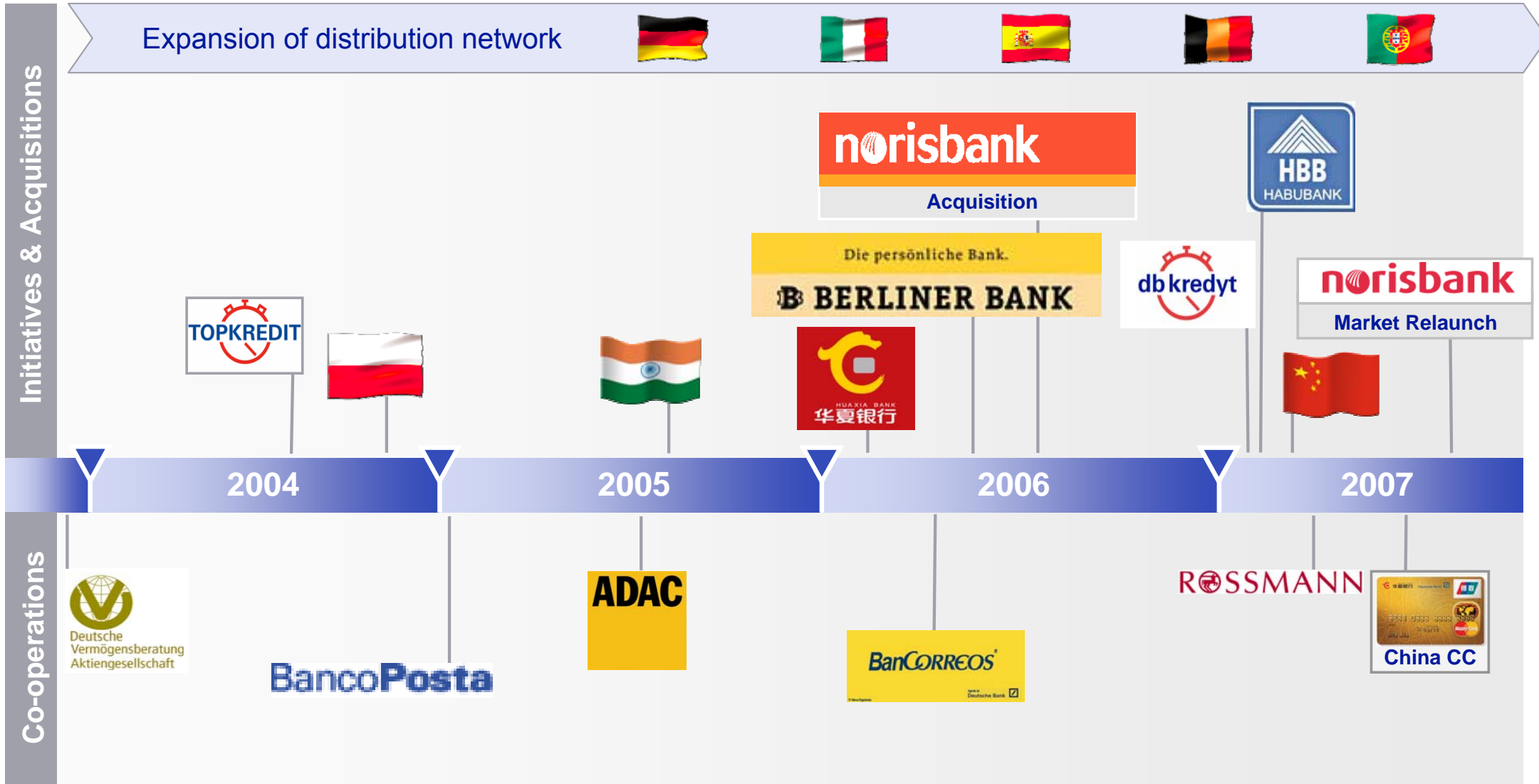




# Agenda

- 1 A dynamic business**
- 2 Update on growth initiatives
- 3 Managing the cost base
- 4 Growth and value creation

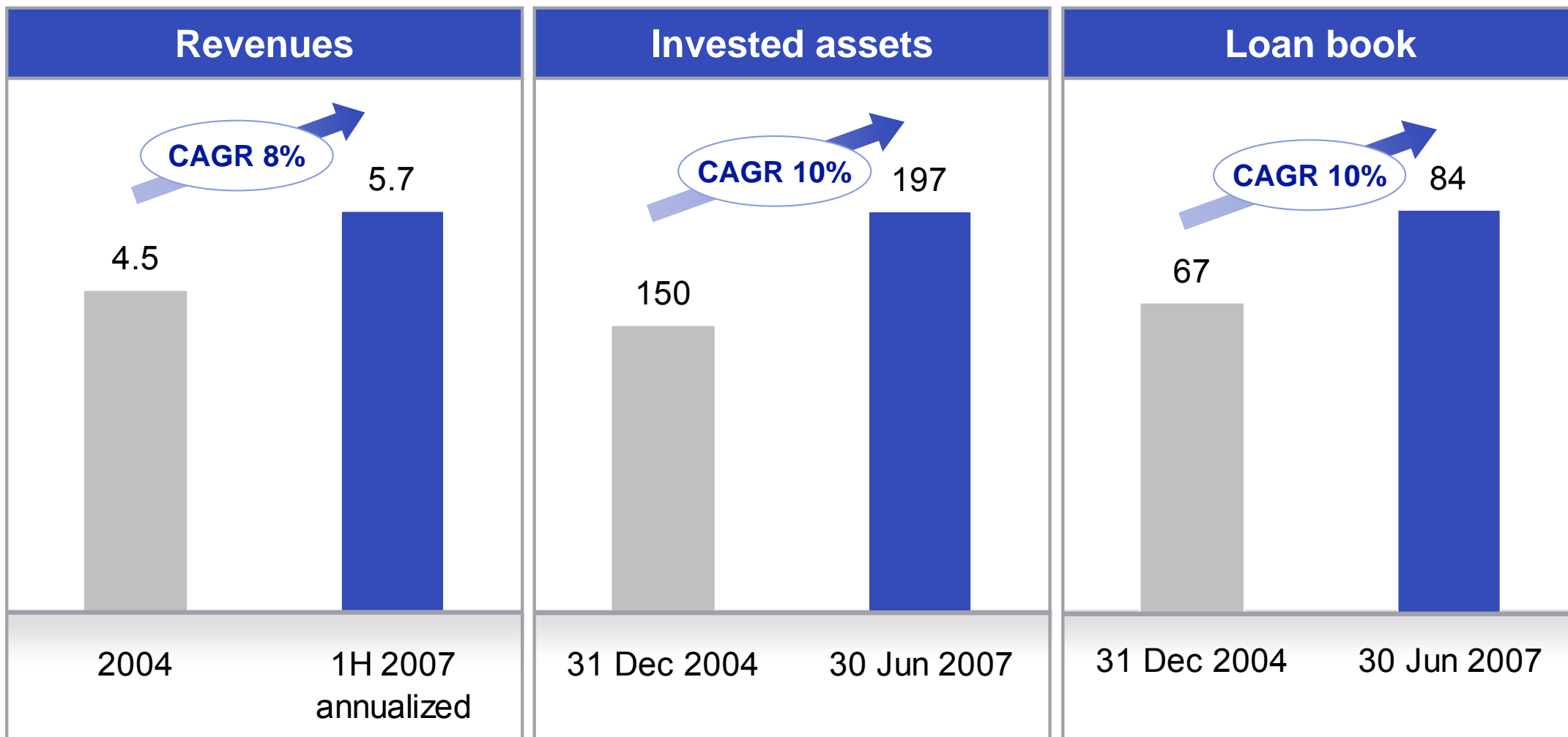
# A dynamic business ...





## ... with growth across the board ...

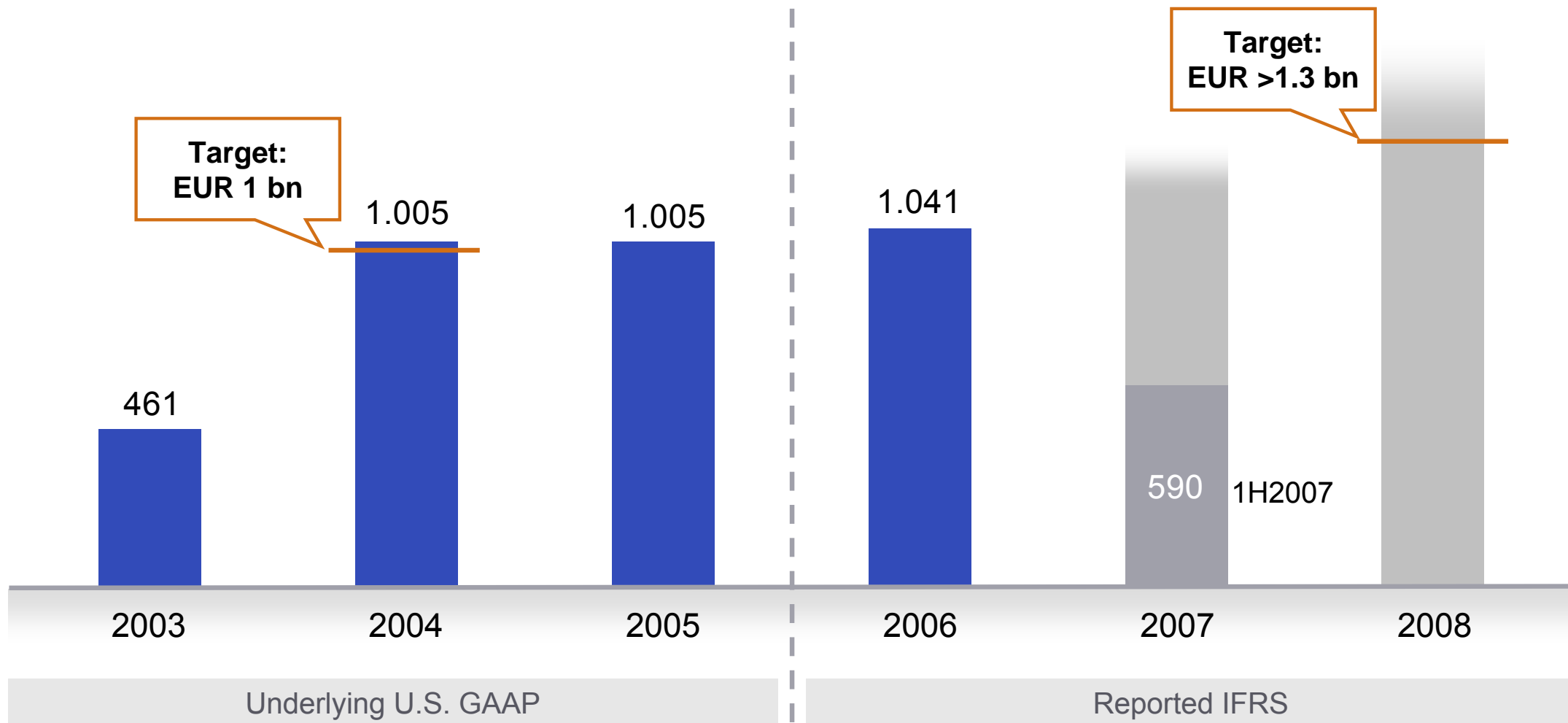
In EUR bn





## ... and a track-record of delivery

Income before income taxes, in EUR m



Note: 2003 – 2005 figures are underlying results based on U.S. GAAP; from 2006 onwards figures are reported results based on IFRS  
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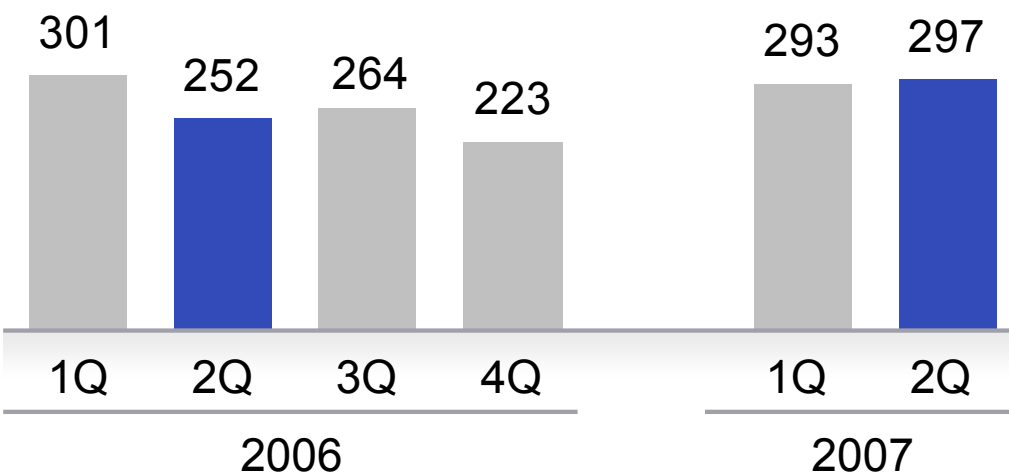
## 2Q2007: Another strong quarter ...

### Results at a glance

Income before income taxes, in EUR m

Key ratios, in %

18%



C/I ratio	2006				FY	2007	
	1Q	2Q	3Q	4Q		1Q	2Q
	70	72	71	75	72	71	71
Pre-tax RoE	62	48	46	35	45	35	34

### Condensed P&L

In EUR m

	2Q 2007	Δ vs. 2Q2006	1H 2007	Δ vs. 1H2006
Revenues	1,442	15%	2,867	12%
Provisions*	(124)	32%	(241)	34%
Noninterest exp.	(1,021)	12%	(2,037)	11%
IBIT	297	18%	590	6%

- Platform expansion:
  - Berliner Bank and norisbank
  - Investment in Poland and Asia
- Revenue growth in brokerage, loans / deposits
- Net new money of EUR 3 bn
- Provisions growth reflects strategy

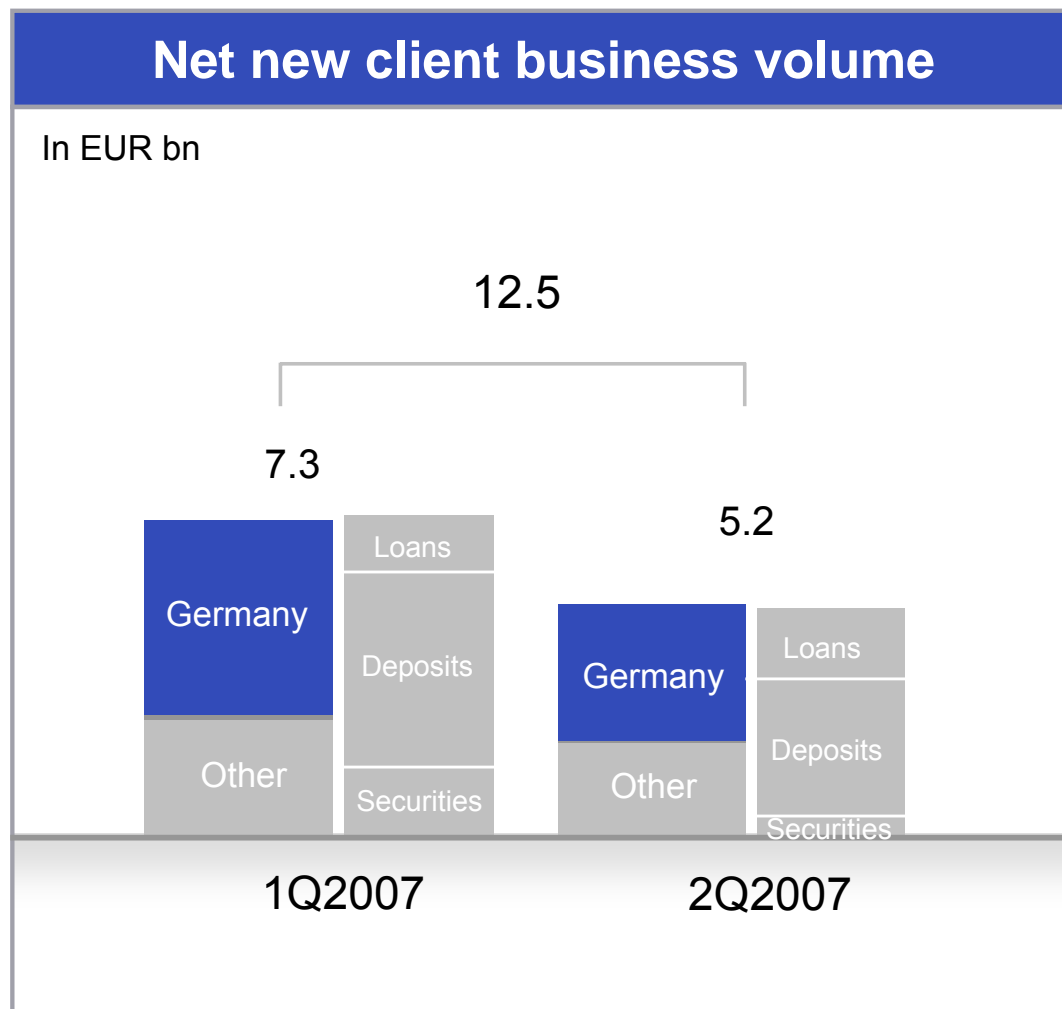
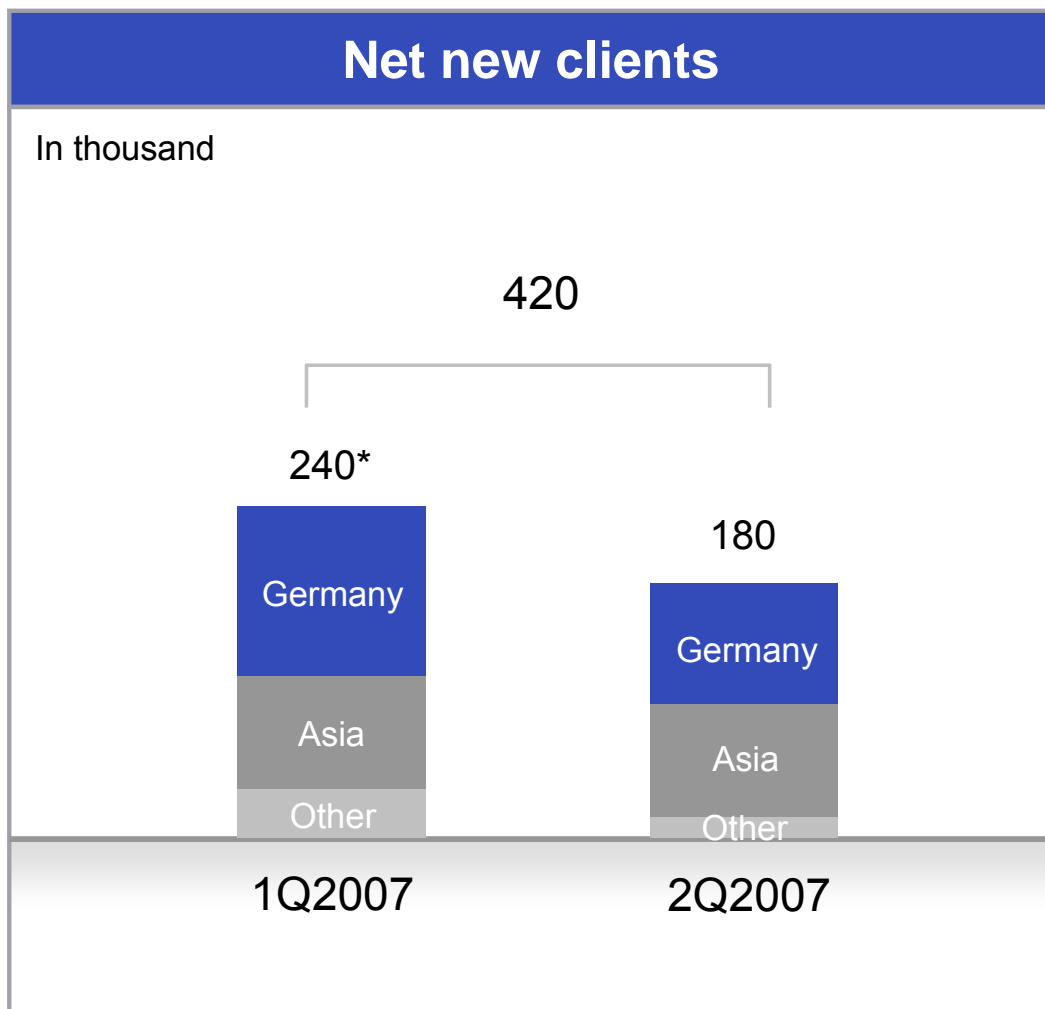
\* Provision for credit losses

Note: Figures may not add up due to rounding differences





# ... with client and volume gains especially in Germany and new markets ...



\* Excluding clients related to Berliner Bank acquisition and sale of Bankamericard processing unit.

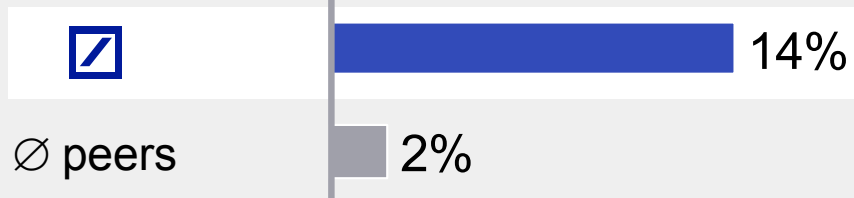


## ... and highly competitive in our home market

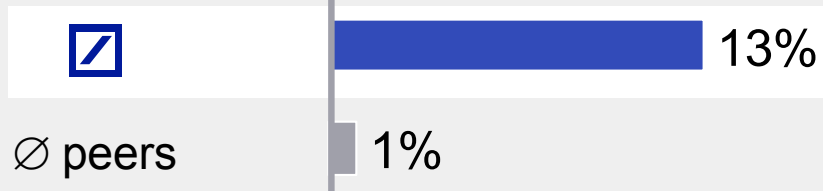
PBC Germany and equivalents, 1H2007 vs. 1H2006, in %

### Revenues

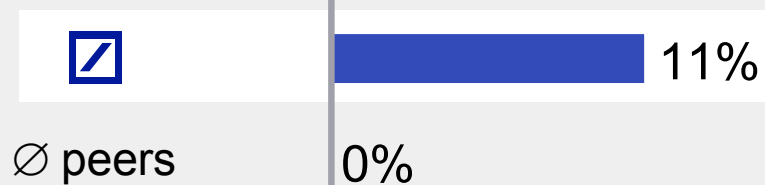
#### Revenues\*



#### Net interest revenues

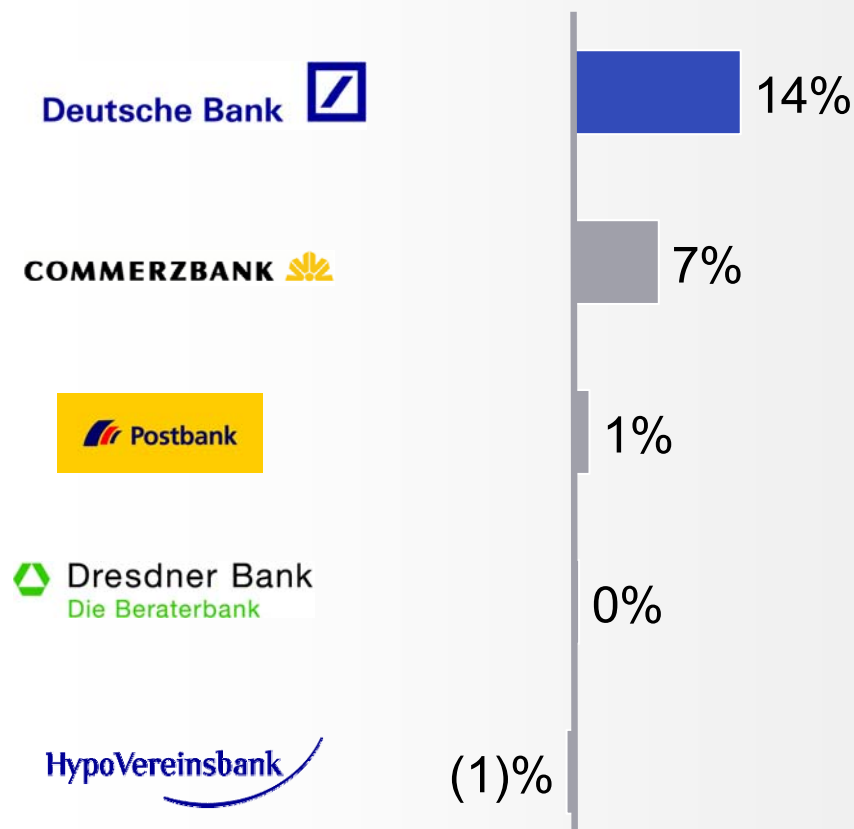


#### Non-interest revenues



■ PBC Germany

### Total Revenues\*



\* Includes other revenues, for Dresdner Bank incl. 'Ergebnis aus Finanzanlagen', for HVB incl. 'Finanzanlagen und andere Posten', for Postbank incl. 'Other income/expenses'  
Note: ∅ peers: Commerzbank: Privat- und Geschäftskunden, Dresdner Bank: Private and Corporate Clients, HVB: Privat- und Geschäftskunden, Postbank: Retail Banking







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# A stable business model based on two core competencies

## Private & Business Clients

### Advisory Banking

- 1 Berliner Bank
- 3 Poland: Branch network
- 5 India: Branch business
- 6 China: Cooperation  
HuaXia/branches

**Distinctive advisory banking solutions  
for personal, private and business  
banking customers**

### Consumer Banking

- 2 Norisbank
- 4 Poland: db kredyt
- 5 India: Credit card business
- 6 China: Launch credit card  
business

**Consumer finance products  
complemented by basic banking products  
with attractive pricing**



# 1 Berliner Bank: Smooth integration resulting in strong business results

	Closing	Today	Post-Integration
Portfolio	<ul style="list-style-type: none"> <li>Ca. 320,000 clients</li> <li>EUR 2.4 bn loan portfolio and EUR 4.8 bn deposits</li> </ul>	<ul style="list-style-type: none"> <li>Growing client base</li> <li>Stable loan portfolio and deposits</li> </ul>	<ul style="list-style-type: none"> <li>Growing client base</li> </ul>
Staff	<ul style="list-style-type: none"> <li>1,140 highly skilled and trained staff</li> </ul>	<ul style="list-style-type: none"> <li>Positive momentum supported by training and change management programmes</li> </ul>	<ul style="list-style-type: none"> <li>Foster sales culture</li> </ul>
Products	<ul style="list-style-type: none"> <li>Emphasis on private and business clients and personally-tailored financial advice</li> </ul>	<ul style="list-style-type: none"> <li>First group revenues synergies realized</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen PBC in our core market proposition (German affluents)</li> </ul>
Platform	<ul style="list-style-type: none"> <li>60 high quality, well located branches</li> <li>No captive IT platform</li> </ul>	<ul style="list-style-type: none"> <li>Operating on existing IT platform</li> </ul>	<ul style="list-style-type: none"> <li>IT migrated to DB platform</li> </ul>



## 2 norisbank: Successful integration shows first business results

	Closing	Today	Post-Integration
Portfolio	<ul style="list-style-type: none"> <li>■ Ca. 330,000 clients</li> <li>■ EUR 1.4 bn loan portfolio and EUR 1.4 bn deposits</li> </ul>	<ul style="list-style-type: none"> <li>■ Stable client base</li> <li>■ Stable client business volume</li> </ul>	<ul style="list-style-type: none"> <li>■ Growing client base to 1 million in 2010</li> </ul>
Staff	<ul style="list-style-type: none"> <li>■ No captive staff</li> </ul>	<ul style="list-style-type: none"> <li>■ Sales force in place</li> <li>■ New “salary model” and own hires</li> </ul>	<ul style="list-style-type: none"> <li>■ Foster norisbank sales culture &amp; low-cost identity</li> </ul>
Products	<ul style="list-style-type: none"> <li>■ Pure consumer finance products</li> </ul>	<ul style="list-style-type: none"> <li>■ Successful products launched (e.g. noris Förder-Rente, Top3-Zinskonto)</li> </ul>	<ul style="list-style-type: none"> <li>■ Focused assortment</li> </ul>
Platform	<ul style="list-style-type: none"> <li>■ Nationwide branch network with 98 branches</li> <li>■ No captive IT platform</li> </ul>	<ul style="list-style-type: none"> <li>■ Operating on existing IT platform, migration of the infrastructure to DB systems</li> <li>■ Deutsche Bank Credit Scoring tool implemented</li> </ul>	<ul style="list-style-type: none"> <li>■ Entire branch network processes and IT up and running on DB platform</li> </ul>

## norisbank: Market Relaunch in September 2007

Glück allein macht nicht glücklich.

**Top3-Zinskonto**  
immer top: **4,25%**  
aktuell Jahreszins

- Garantiert einer der drei besten Tagesgeldzinssätze der 75 größten deutschen Banken
- Täglich verfügbar
- Kostenlose Kontoführung
- Für alle Privatkunden

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geht doch!

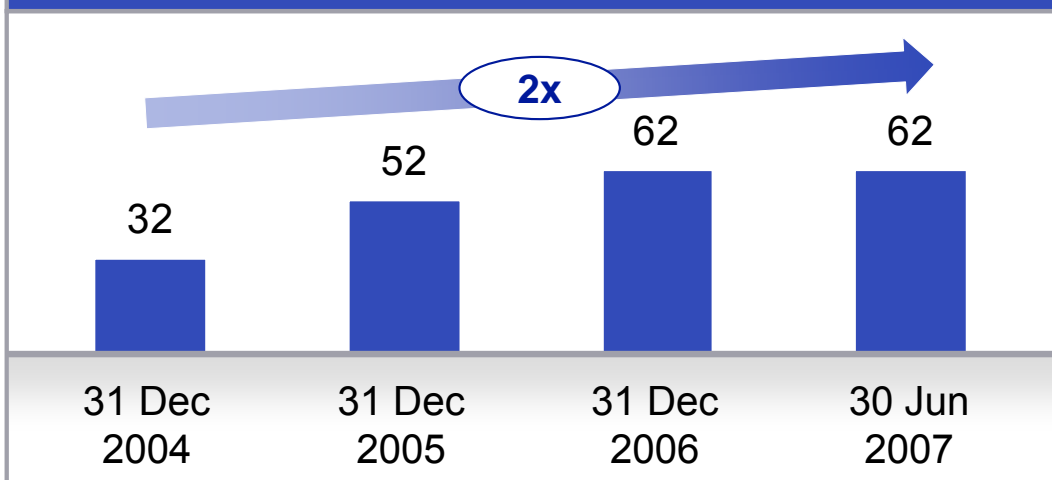
### Market Relaunch design "Orange"

- Brand Relaunch and new value proposition introduced by marketing campaign
- Focused portfolio of attractive basic banking products. Launch of new products (e.g. Top-Girokonto, Top3-Zinskonto, Top-Kredit)
- Focus on consumer growth and direct sales channels
- Launch of initial hero product reflecting norisbank proposition
- Best-in-class low cost processing
- New branch layout and design

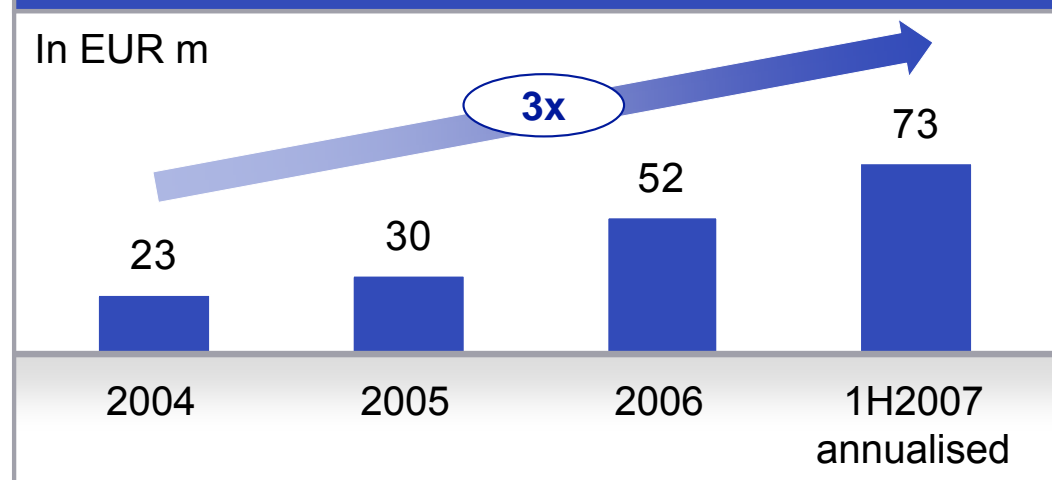


### 3 Poland: Investments in advisory banking pay off

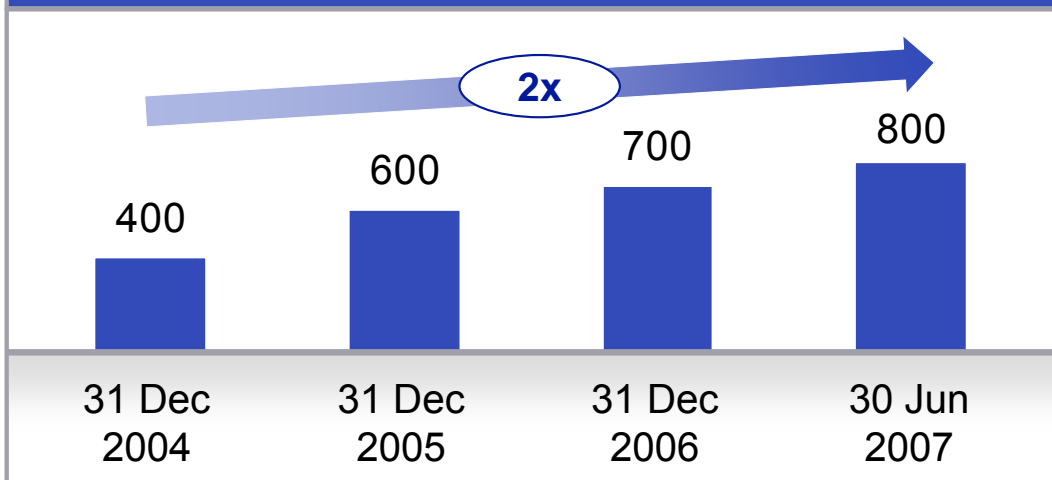
Number of branches



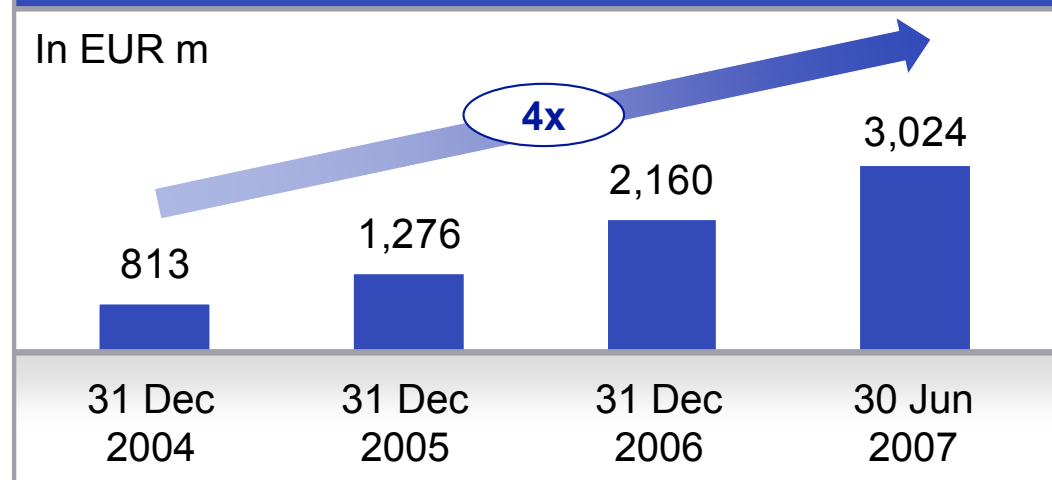
Revenues



Number of employees



Client Business Volume\*

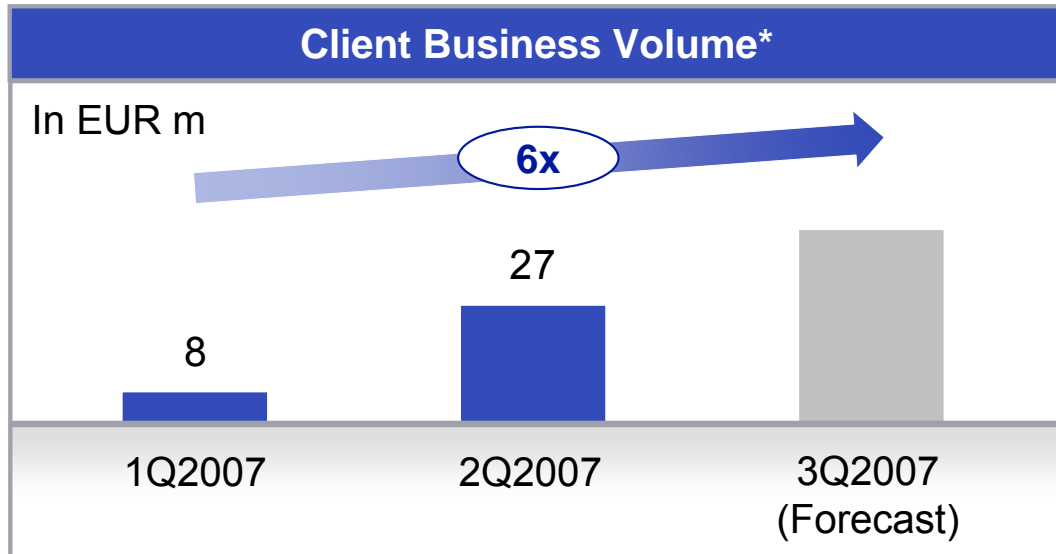
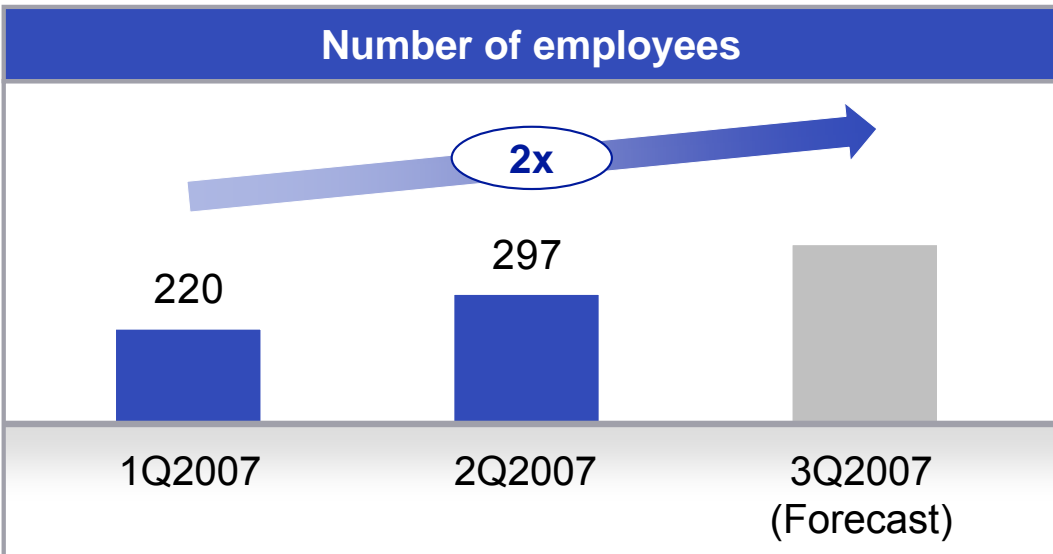
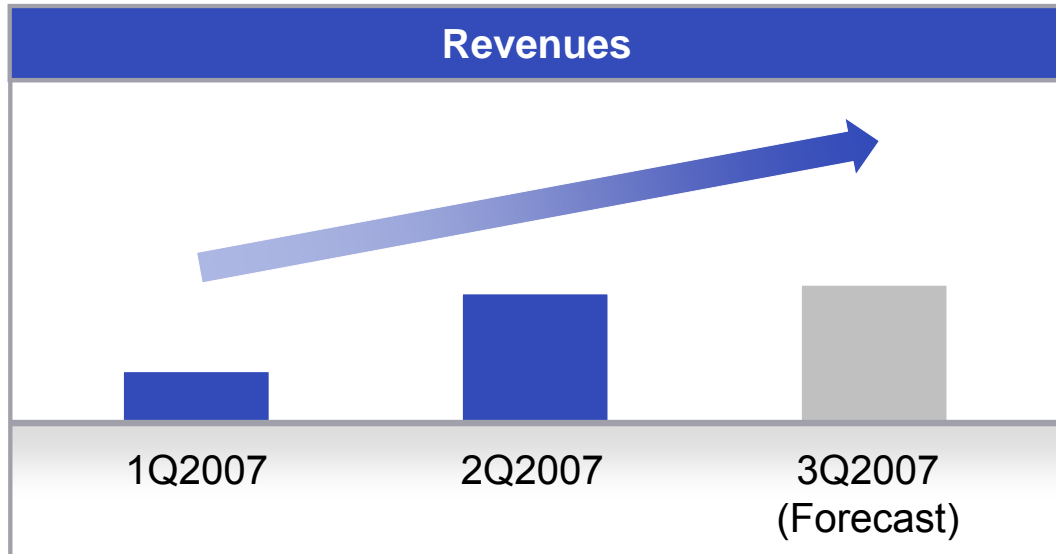
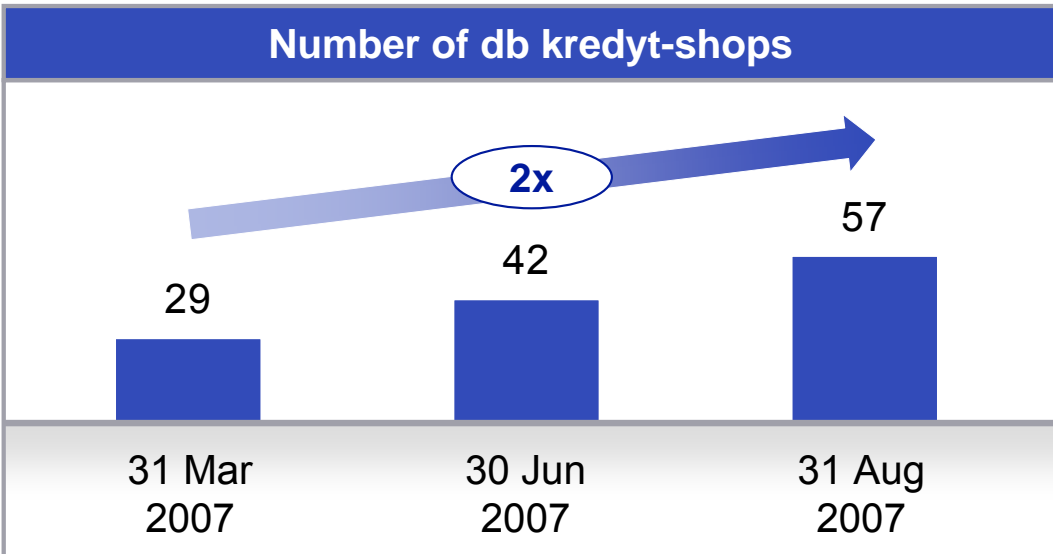


\* Client Business Volume = Invested assets and sight deposits and loans  
 Note: 2004 and 2005 based on U.S. GAAP; from 2006 onwards based on IFRS  
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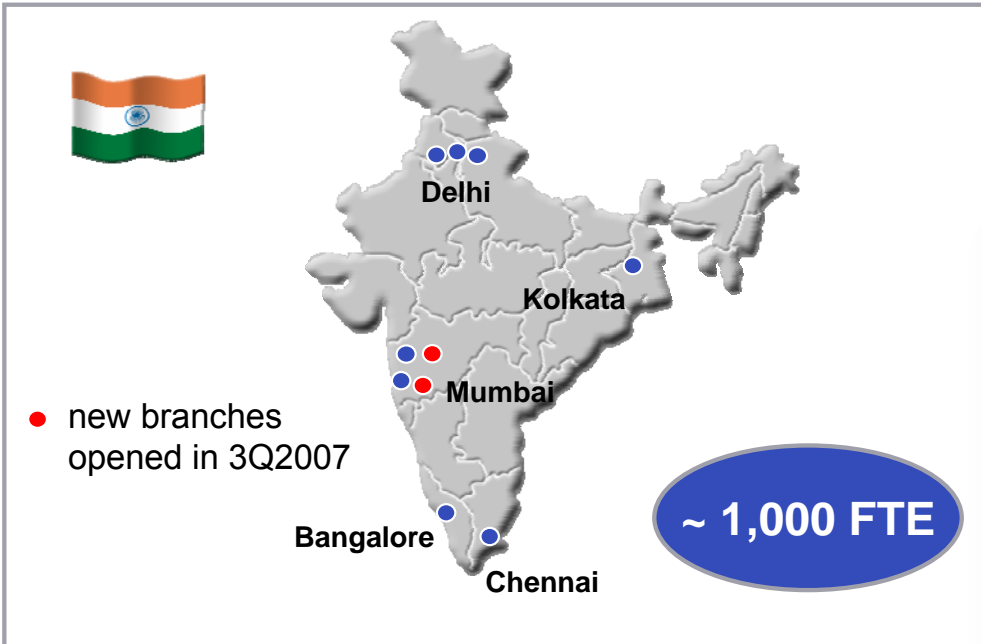
# 4 Poland: Successful entry in consumer finance market



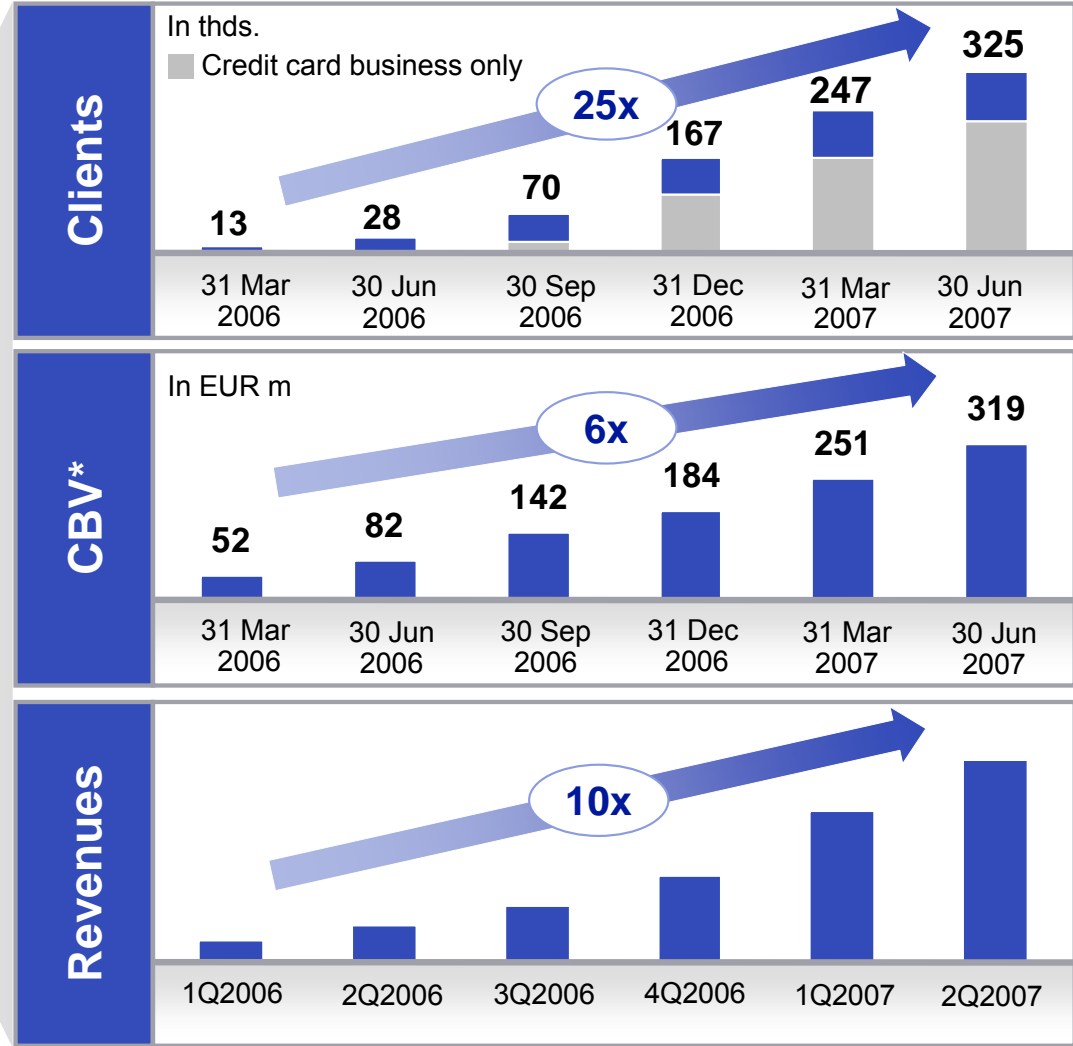
\* Client Business Volume = Invested assets and sight deposits and loans  
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# 5 India: Successful start for branch business and credit card activities



- Branch business
  - 10 branches
  - Thereof 2 new branches opened in Aurangabad - 16 July 2007
  - Kolhapur - 24 July 2007
  - Application for new licenses
- Credit card business



\* Client Business Volume = Invested assets and sight deposits and loans  
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6

## China: Market entry via own branches and cooperation

### HuaXia investment



- 10% stake in HuaXia Bank:
  - 281 outlets in Tier 1 and 2 cities
  - 10 million retail accounts
  - 13th largest bank in China by assets
  - ~8,600 employees
- ~ 400% upward move of HXB share price vs. purchase price (22.80 RMB vs. 4.50 RMB paid in May 2006)

### HuaXia cooperation & PBC business

- Cooperation with HuaXia Bank includes:
  - Exclusive credit card cooperation launched in 2Q2007
  - Development of additional business cooperation (e.g. joint affluent proposition)
  - Comprehensive knowledge transfer, inter alia, in the areas of Risk and Asset Liability Management area started with focus on:
    - Credit Risk Management
    - Operational Risk Management
    - Capital Management
  - DB entitled to two board seats in HuaXia Bank's board of directors
- PBC business: Branch openings in Beijing and Shanghai in March 2007





## 6 China: Credit card joint venture

### A significant milestone in China

Two Phase Entry Strategy for China:

Phase 1

- Standalone Business Unit (BU) within HuaXia Bank, set up to launch Co-branded DB-HXB cards
- DB to provide technical and product know-how, HXB to provide manpower and infrastructure to run the business
- Effective way to bring the Deutsche Bank brand to the market
- Effectively increase presence in a fast growing market through leveraging the HXB Branch network and customer base
- Distribution further augmented through external sales agencies

Phase 2

- When China laws permit set up a 50:50 joint venture and move the BU there

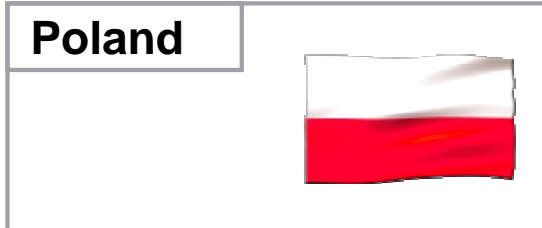
### Successful start

- Launched in 2Q2007
- Ca. 20,000 credit cards sold in the first few weeks
- Commenced operations in 22 cities already

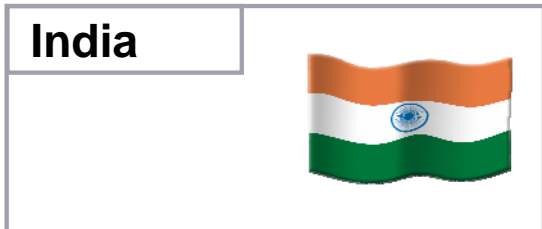




# Investment in Emerging Markets will continue



- Continue with branch network expansion
- Extend Consumer Finance activities



- Continue with branch network expansion
- Further develop credit card business



- Extend business cooperation with HuaXia Bank (mainly credit card business)



- Develop cooperation with Habubank

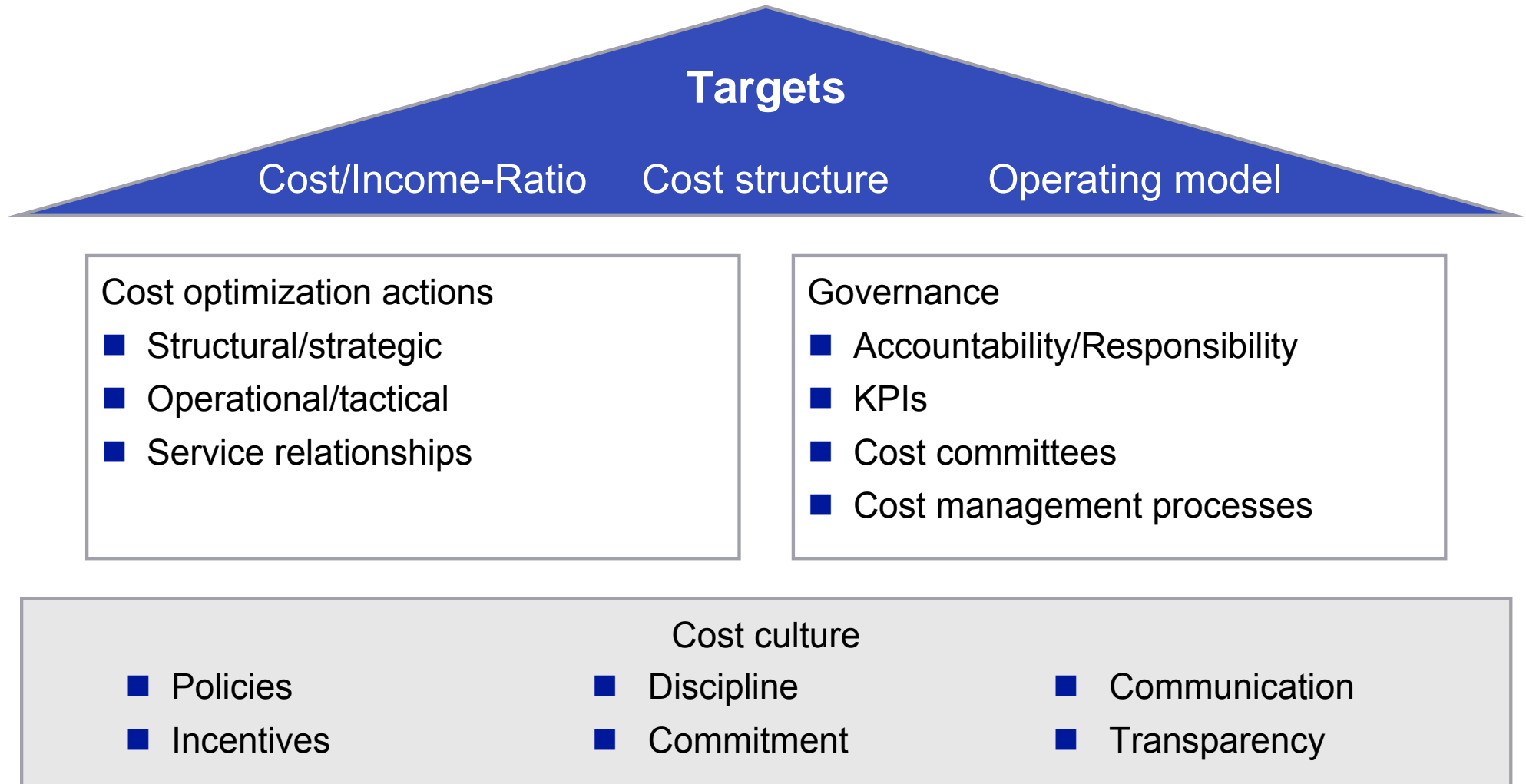


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# Costs are managed in a systematic way



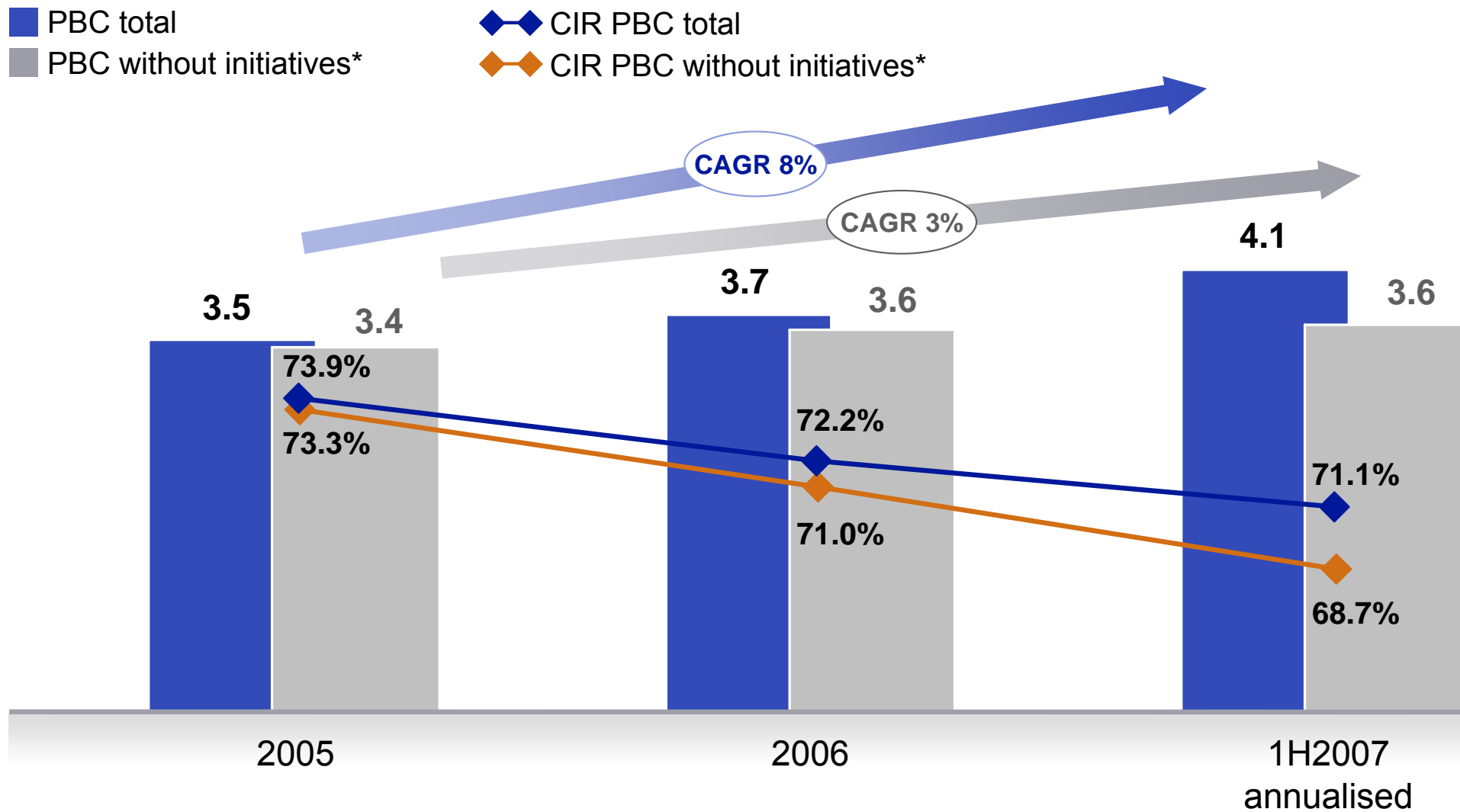


## After bold restructuring – rigid cost management and step by step optimization of cost base

Some cost optimization projects since 2004	Timing	Results
<b>Germany: Infrastructure</b>	2004 – 2006	30% reduction of branch IT infrastructure costs
<b>Germany: Credit “factory”</b>	2005 – 2006	25% reduction of direct operating costs for credit servicing
<b>Italy: Captive Service Provider</b>	2005 – 2006	7% cost reduction of bundled support functions
<b>Globally: Cost management</b>	Ongoing	Managing towards PBC’s global CIR target of 68%

# Results include massive investments in future growth

Noninterest expenses, in EUR m



\* Norisbank, Berliner Bank, Poland, Asia  
Note: 2005 figures based on U.S.GAAP, from 2006 onwards based on IFRS  
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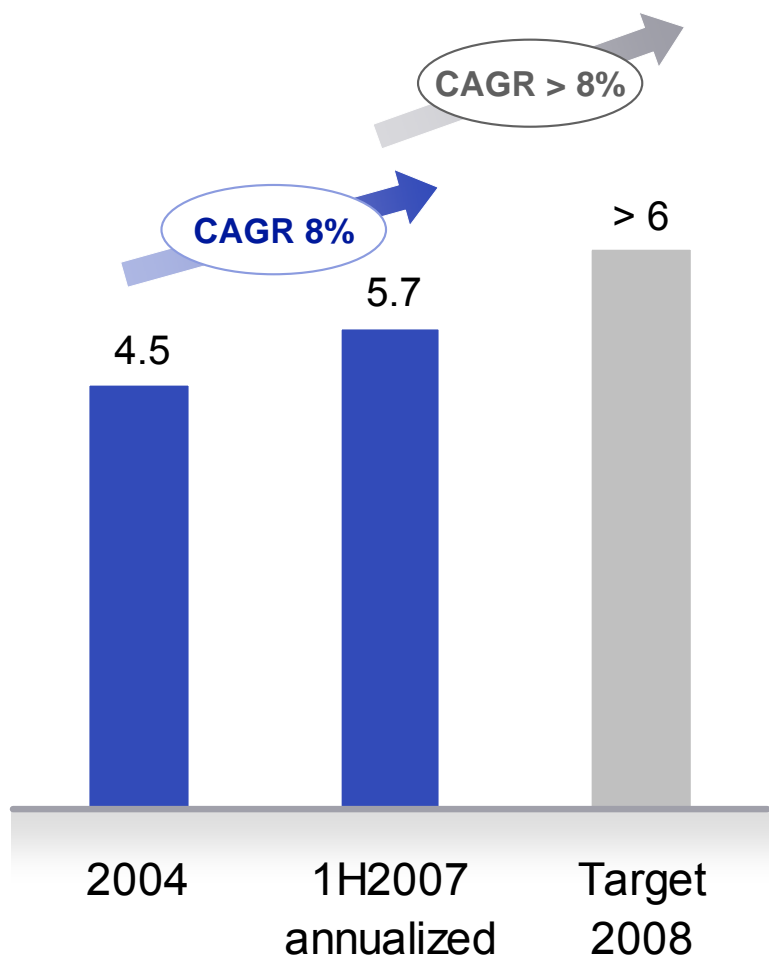
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# Revenue growth outperforming GDP growth in all markets

PBC revenues, in EUR bn



	Regional split	GDP growth <sup>(3)</sup>
Germany		1.4%
Europe <sup>(1)</sup>		1.5%
Emerging Markets <sup>(2)</sup>		8.0%

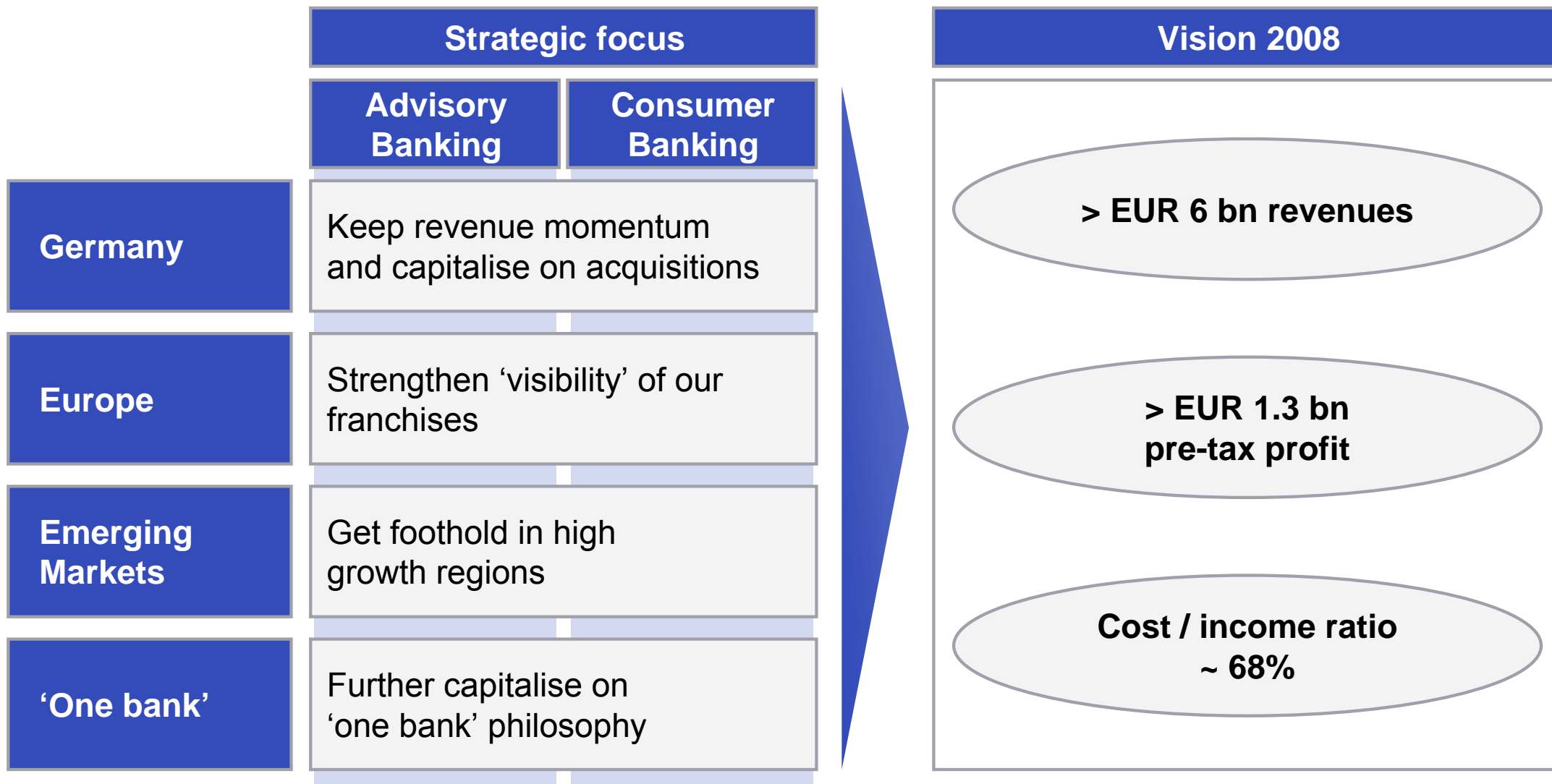
(1) Italy, Spain, Belgium, Portugal (2) Poland, India, China (3) CAGR 2004-2006, weighted average, source: Global Insight WWM

Note: 2004 based on U.S. GAAP, from 2006 onwards based on IFRS





# PBC will deliver on clear targets





## Cautionary statements

Unless otherwise indicated, the financial information provided herein has been prepared under the International Financial Reporting Standards (IFRS). It may be subject to adjustments based on the preparation of the full set of financial statements for 2007. The segment information is based on IFRS 8: 'Operating Segments'. IFRS 8, whilst approved by the International Accounting Standards Board (IASB), has yet to be endorsed by the European Union.

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