



# Global Transaction Banking

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Head of GTB

*Passion to Perform*

Investor Day, Frankfurt, 12 September 2012

# GTB overview



## Where we are today

- Environment with notable headwinds, but also significant growth opportunities for well-positioned transaction banks
- Track record of consistent high performance based on a diversified global portfolio and a solutions-oriented, volume-driven, scale business model
- Prepared to continue GTB's profitable growth trajectory and gain market share based on a unique set of capabilities

## Where we aspire to be

- Strengthened competitive positions in all strategic client segments, product areas and markets
- Solidified position as a critical pillar of Deutsche Bank Group
- IBIT aspiration of EUR ~2.4 bn in 2015

## How will we get there

- Continue to deliver on GTB's focused growth strategy, centered around clear target clients, products and geographies:
  - Deepen relationships with existing and acquire new target clients
  - Invest in solutions, platforms and operational excellence
  - Continuously optimize business portfolio, resource utilization and global footprint
  - Drive synergies from closer collaboration with CB&S, AWM and PBC
  - Maintain strict cost, risk and capital discipline



# In an environment with challenges and opportunities for well-positioned transaction banks ...

## Environmental trends

<b>Macro-economic challenges</b>		Low growth; further potential for shocks
		Continued dependence on policy stimulus
		Significant, prolonged deleveraging ahead
<b>Megatrends drive significant opportunities</b>		Changing global demographics
		Urbanization and financial deepening in emerging markets
		Technological advancements
<b>Unprecedented pressure on banks</b>		Fractured relationship with society
		Restrictive regulatory landscape
		Transformation of competitive landscape

## Impact on transaction banking models

- Transaction Banking revenue pools expected to grow at 7% p.a.<sup>(1)</sup>
- Strong institutions profit from ‘flight-to-quality’ dynamic
- Sustained low interest rate environment remains a drag on deposit-heavy models
- Robust emerging export economies support sustained transaction volume levels
- Significant efficiency opportunity from high-volume technology solutions
- Capital-efficient business model attracting investment
- Regulation driving client demand for innovative solutions

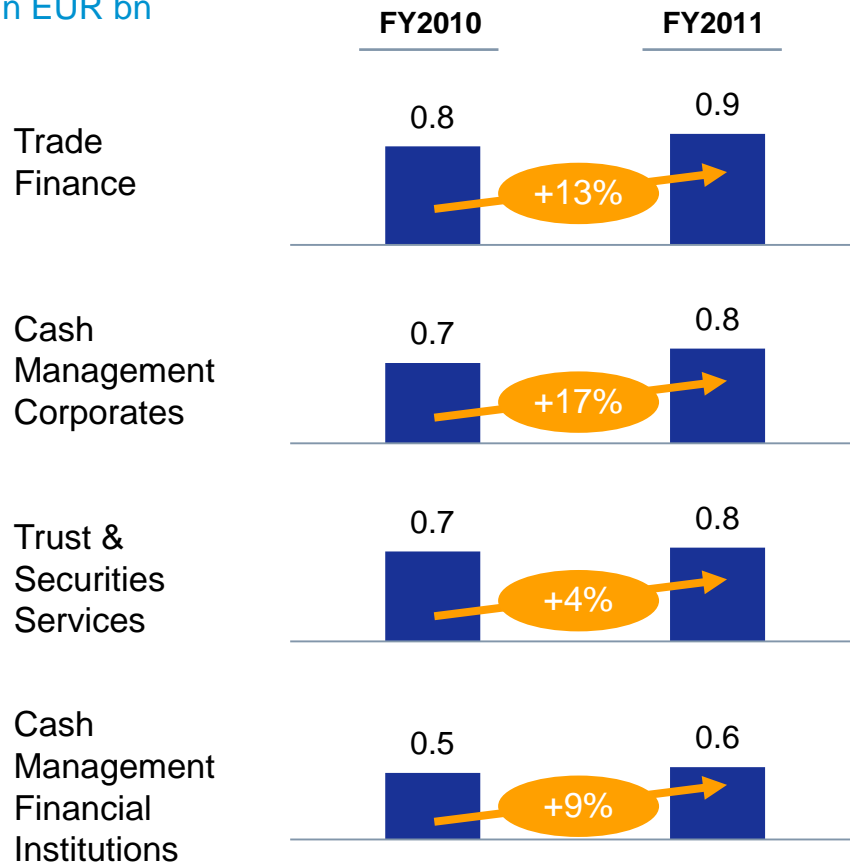
(1) CAGR 2011-2015, Oliver Wyman



# ... GTB delivers strong and consistent performance across all major products and regions ...

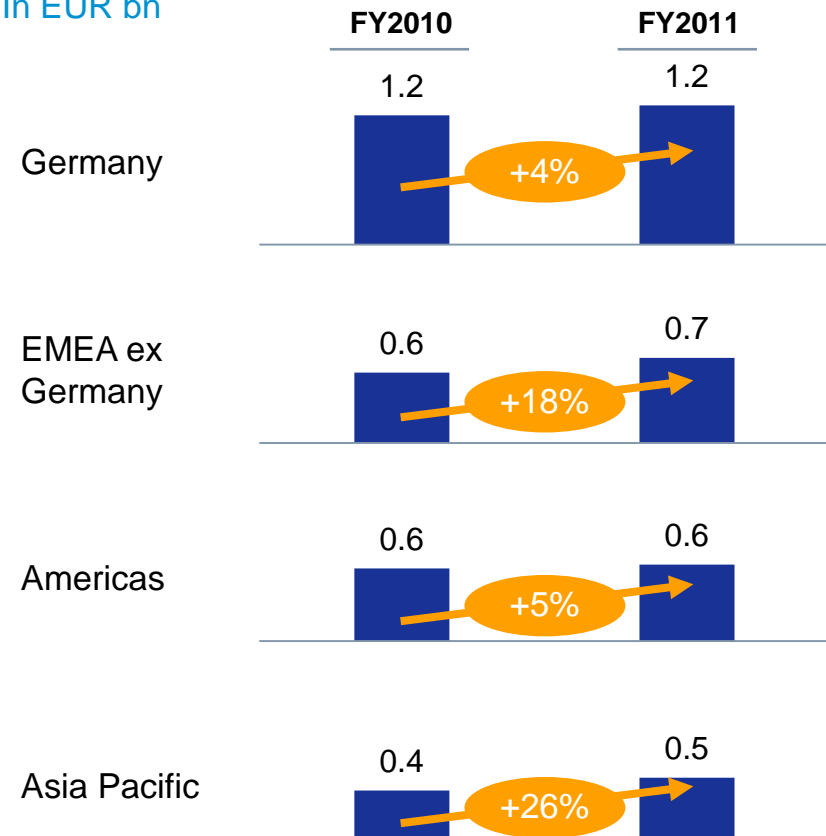
## GTB revenues by product

In EUR bn



## GTB revenues by region

In EUR bn



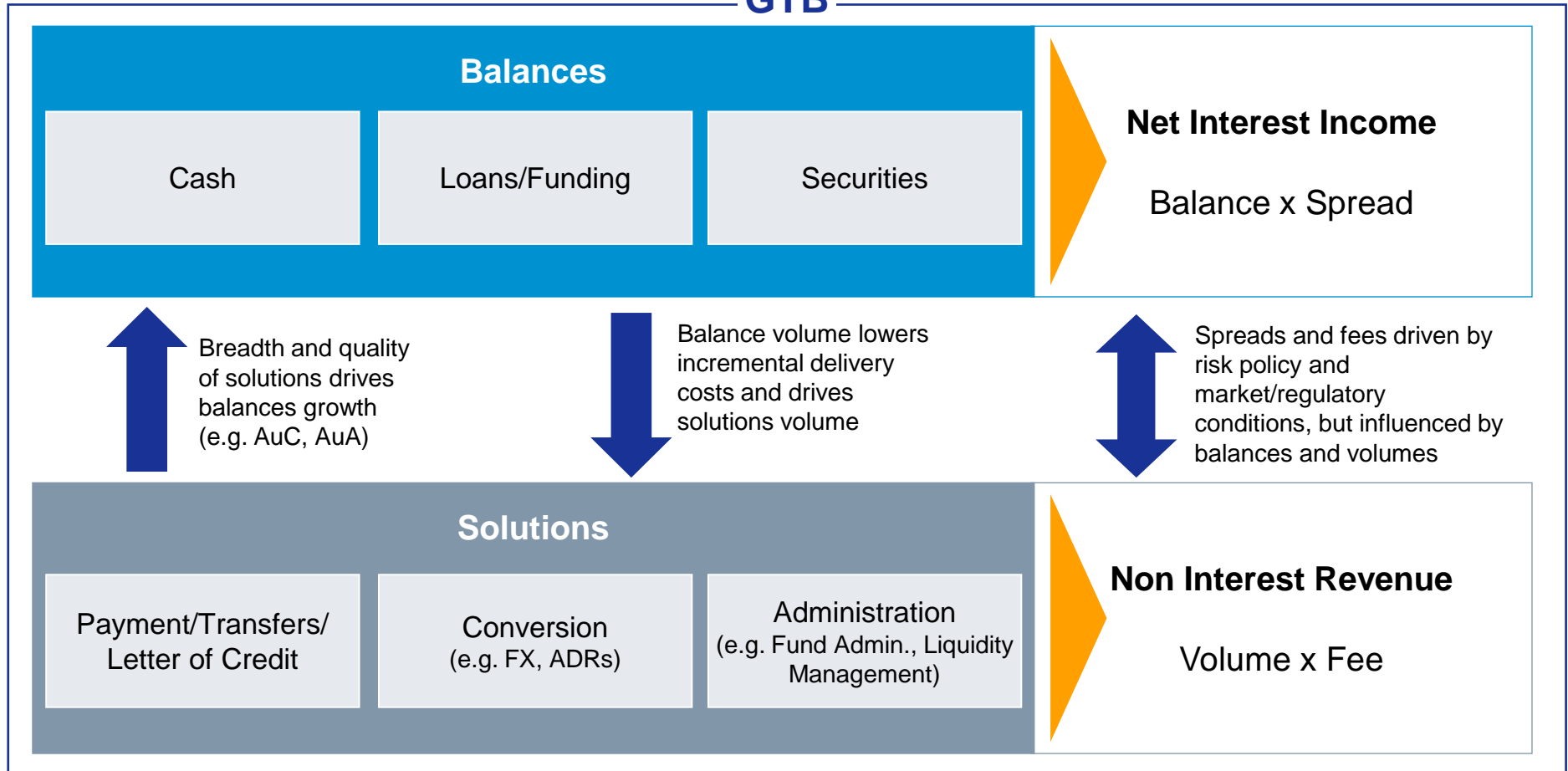
Note: Excluding the commercial banking activities acquired from ABN AMRO in the Netherlands. Revenues from these activities were EUR 0.6 bn in FY2010 and EUR 0.5 bn in FY2011. Incl. these amounts y-o-y revenue growth in EMEA ex Germany is 3%. Numbers may not add up to same totals due to rounding



# ... based on a solutions-oriented, volume-driven, scale business model

ILLUSTRATIVE

## GTB





# Why DB Group is investing in GTB

- 1 Growth business across the cycle, resilient to external shocks
- 2 Robust business model, well adapted to low-interest rate environment
- 3 Strong geographical footprint with exposure to attractive growth regions
- 4 Leading market positions in chosen businesses, on the back of best-in-class technology
- 5 Proven execution track record with consistently attractive returns and low capital intensity
- 6 Strong new leadership team and closer integration to rest of DB

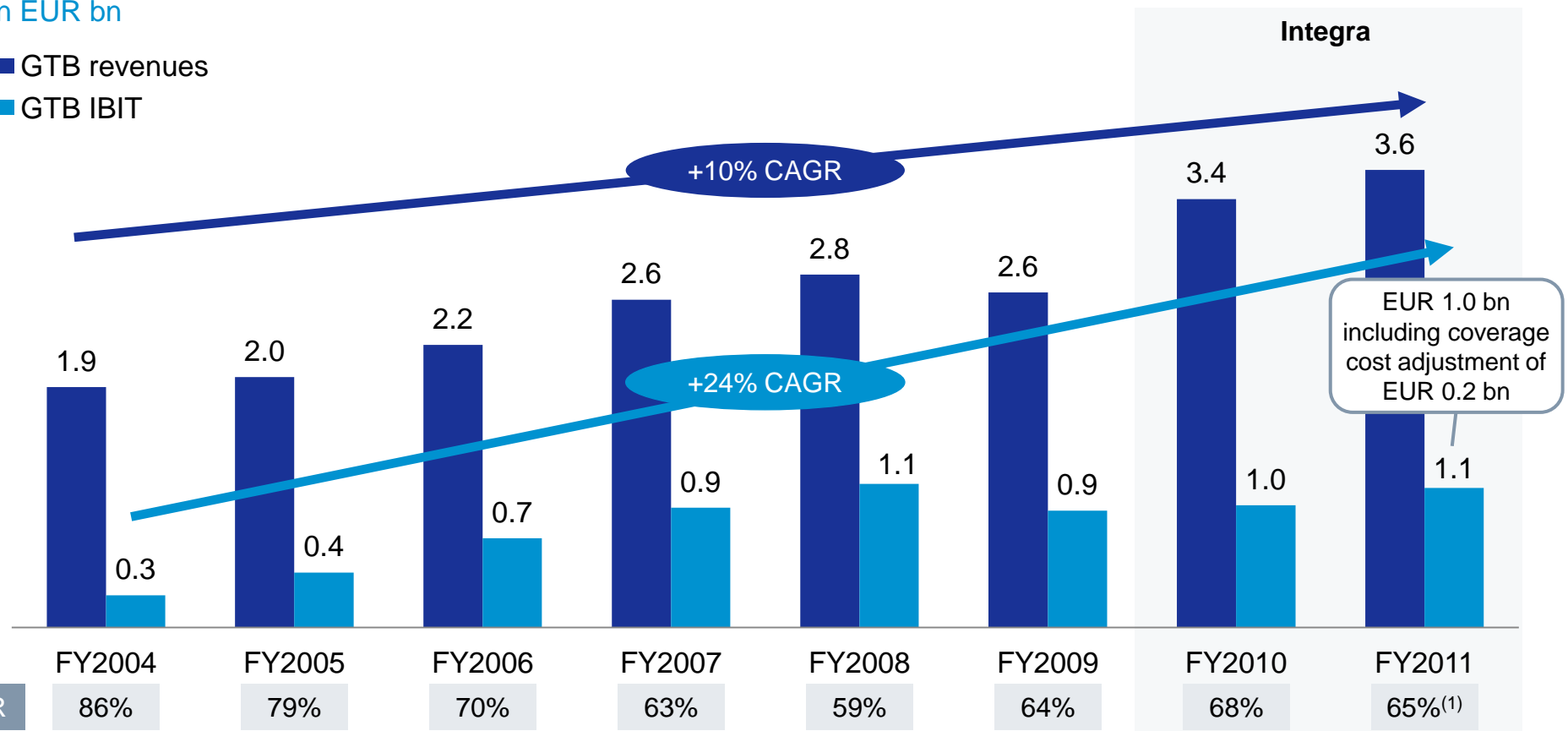


# 1 Growth business across the cycle, resilient to external shocks

## GTB revenues and income before income taxes

In EUR bn

- GTB revenues
- GTB IBIT



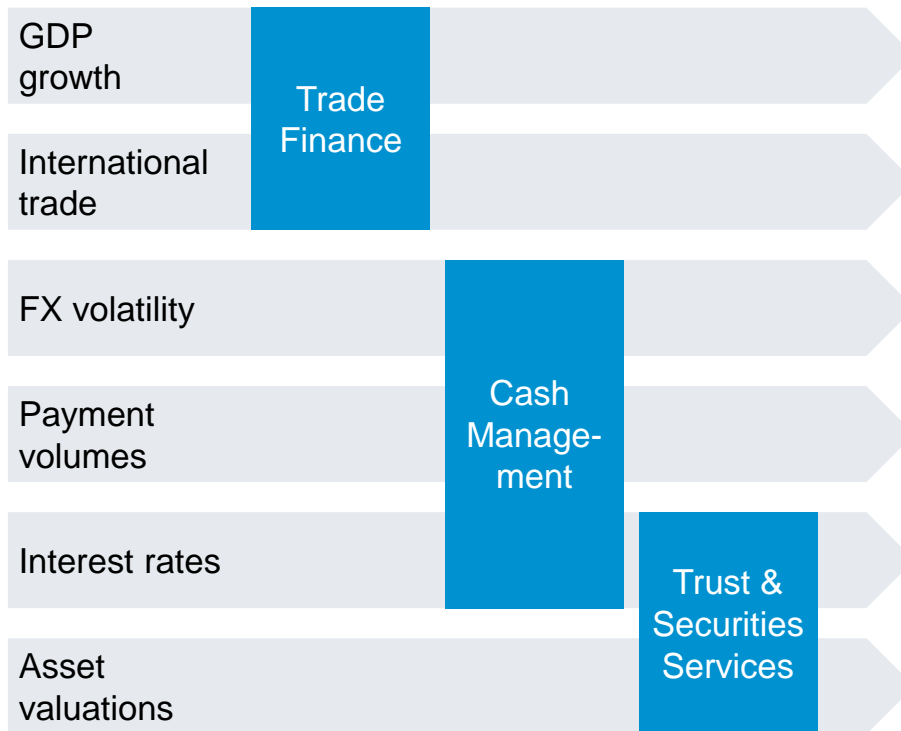
Note: All numbers as reported: 2004 – 2005 based on US GAAP, 2006 onwards based on IFRS; 2004 – 2005 based on structure as of 2006, 2006 based on structure as of 2008, 2007 based on structure as of 2009, 2008 based on structure as of 2010, 2009 based on structure as of 2011, 2010 – 2011 based on latest structure

(1) Including coverage cost adjustment of EUR 0.2 bn, CIR is 69% for FY2011

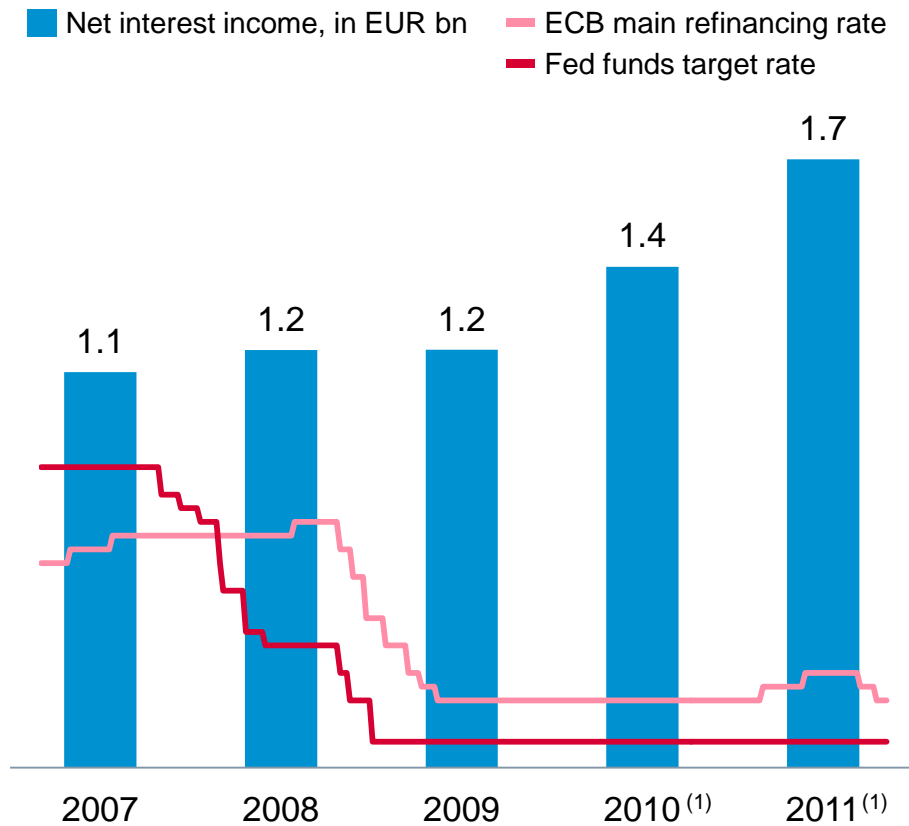


## 2 Robust business model, well adapted to low-interest rate environment

Business portfolio well-positioned vis-à-vis external drivers ILLUSTRATIVE



Solid net interest income despite low interest rate environment



(1) Includes net interest income of the commercial banking activities acquired from ABN AMRO Netherlands of EUR 0.3 bn in 2010 and EUR 0.4 bn in 2011





### 3 Strong geographical footprint with exposure to attractive growth regions

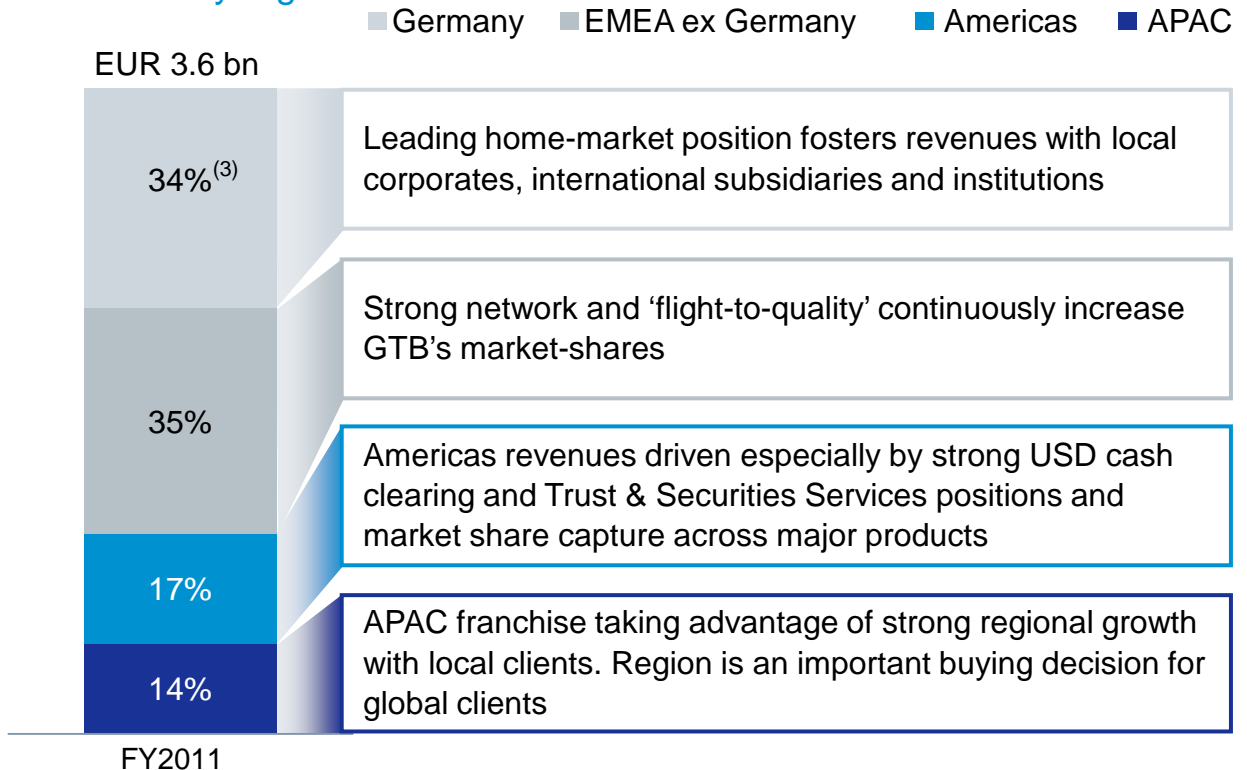
#### Global footprint

##### Key facts<sup>(1)</sup>

- 4,464 employees<sup>(2)</sup> present in 46 countries and jurisdictions
- Serving clients in more than 190 countries and jurisdictions worldwide
- More than 70% of revenues generated with non-German clients
- More than 70% of employees located outside of Germany

#### Diversified regional network

##### Revenues by region



Note: Numbers may not add up due to rounding

(1) As of June 2012

(2) Full-time equivalent, at period end

(3) Approximately 10% of revenue processed and booked in Germany from EUR Clearing clients located outside Germany



### 3 Case in point: GTB India

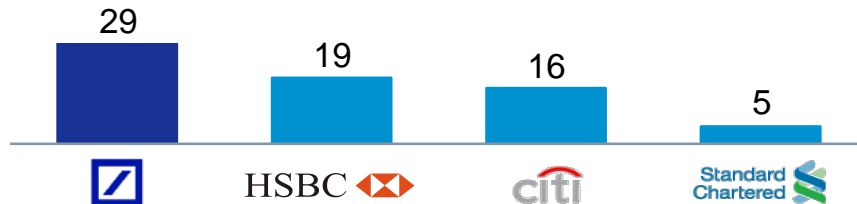
#### Current position

##### Key facts<sup>(1)</sup>

- ~30% of GTB Asia-Pacific revenues; <30% CIR
- Coverage across +4,000 locations<sup>(2)</sup>; +100 FTE
- #1 in Custody: AuC of EUR ~100 bn; amongst Top 2 foreign banks by value of RTGS<sup>(3)</sup> processed<sup>(4)</sup>

#### Relative growth

Fiscal year 2012 vs. 2010 (end 31 Mar) revenue CAGR %<sup>(5)</sup>



#### Awards



- **Best Transaction Bank** in India: 2011
- **Best Cash Management Bank** in South Asia: 2011
- **Best Domestic Custodian** in India: 2012
- **Best Sub-Custodian** in India: 2012
- **Best International Trade Bank** in India: 2012

(1) As of 30 June 2012 (2) Including partner banking network (3) Real time gross settlement (4) Based on RBI report for July 2012

(5) Commercial Banking segment results in INR terms (Indian Rupee), as per locally published segmental reporting disclosures

Source: Competitor financial reports, industry publications, and internal estimates

#### Forward view

##### Aspiration (2011 – 2015)

To be top 3 across all products in our chosen client segments, doubling our revenue base

#### Key enablers

Continued execution on focused growth strategy:

- Clients: deepen existing and acquire new target client relationships (including US MNCs)
- Products: commercialize our innovation (including local clearing infrastructure for clients in complex industry verticals), maintain our service excellence, and monetize opportunities created by market changes
- Platforms: ensure scalability and leverage our best in class risk management
- Partnership: CB&S, AWM and PBC collaboration



# 4 Leading market positions in chosen businesses, on the back of best-in-class technology

## Innovation: The Autobahn App Market

- First app-based client offering in the financial services industry
- One-Stop-Shop: >100 services accessible via single entry point, e.g. Financial Supply Chain, Liquidity & Securities Portfolio Manager



## Scalability: Increasing transaction volumes

### GTB, 2011 vs. 2007

- Payments >15%
- Trade Finance >30%
- Asset Services >50%
- Funds Administration >100%

## Recognition: Excellence awards



**Best Transaction Banking Product, APAC - FX4Cash**  
*The Asian Banker Transaction Banking Awards, Apr 2012*

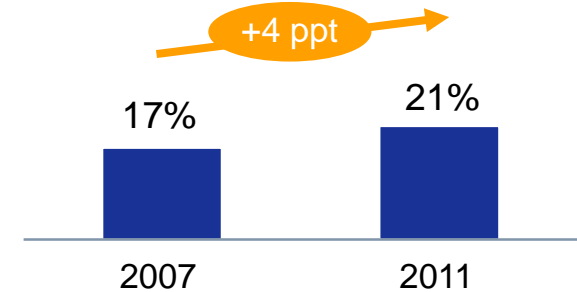


**Best E-Solutions and Technology Partner Bank  
 Best in Technology Implementation**  
*The Asset Triple A Awards, Mar 2012*

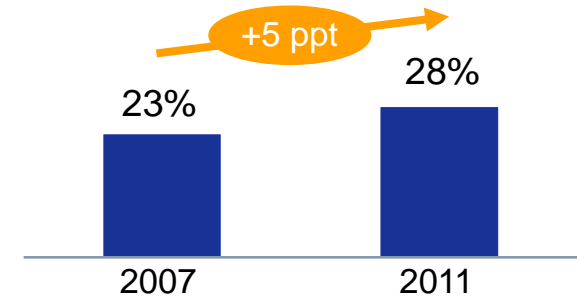
- (1) Bundesbank, based on EURO payments through RTGS+/'Target 2 Germany'
- (2) SWIFT

## Leading market shares

### Cash Management: Euro Clearing<sup>(1)</sup>



### Trade Finance: Export LCs Germany<sup>(2)</sup>



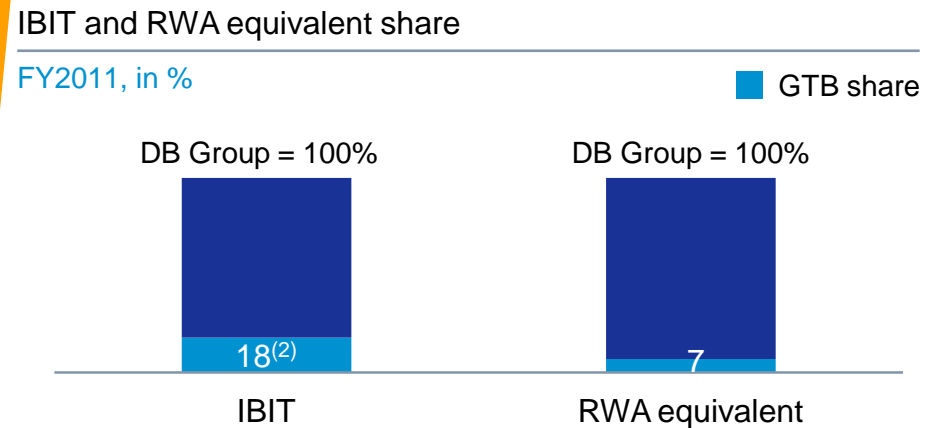
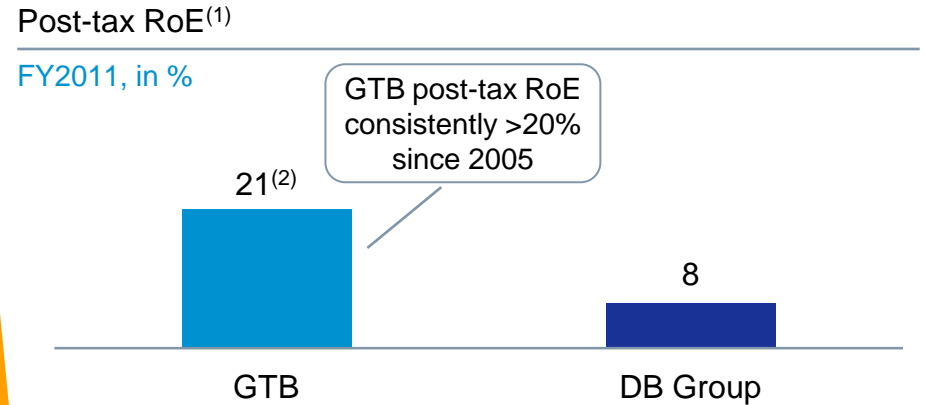


# 5 Proven execution track record with consistently attractive returns and low capital intensity

## High return portfolio and performance culture

<b>Cash Management</b>  <b>Trust &amp; Sec. Serv.</b>	— High return/capital efficient businesses
<b>Trade Finance</b>	— Strict capital and risk discipline and active management of capital consumption — Increased demand for innovative solutions (e.g. Supply Chain Finance) substitutes more capital intensive products and further increases efficiency
<b>Commercial Banking NL</b>	— Performance and efficiency optimization initiatives under way

## Attractive returns and low capital intensity



(1) Based on statutory tax rate of 30.8%

(2) Adjusted for deduction of EUR 0.2 bn coverage cost allocation to be reflected in new business reporting structure



# 6 Strong new leadership team and closer integration to rest of DB

## The GTB Executive Committee



**Head of Global Transaction Banking**  
Werner Steinmueller (Frankfurt)

### Functions



**COO**  
Jim Turley  
(London)



**CAO**  
Joerg Salzer  
(Frankfurt)



**Product Management**  
Rhomaios Ram  
(London)

### Business



**Corporate Products TF/CMC**  
Michael Spiegel  
(London)



**FI and Securities Products TSS/CMFI**  
Satvinder Singh  
(London)



**FI and Securities Sales TSS/CMFI**  
Nelius De Groot  
(London)



**CEO DB Nederland N.V.**  
Harold Leenen  
(Amsterdam)

### Regions



**Americas**  
Akbar Poonawala  
(New York)



**EMEA**  
Stefan Bender  
(Frankfurt)



**Asia Pacific**  
Lisa Robins  
(Singapore)

- Diverse cultural and professional backgrounds
- Strong cooperation and alignment between business lines and regions
- Global functions ensuring speed, connectivity and efficiency
- Successful delivery of Project Integra targets with a focus on integrated corporate coverage

Strong leadership team and integrated management structure position GTB for increased synergy capture within GTB and the rest of DB



# The way forward: We will remain focused on clearly defined target clients, products and geographies

## Our competitive span

	Financial Institutions	Non-Bank Financial Institutions	Complex Corporates	MidCap Clients
<ul style="list-style-type: none"> <li>✓ Globally</li> <li>✓ Germany &amp; NL</li> </ul>				
Trust & Securities Services	✓	✓	✓	
Cash Management Financial Institutions	✓	✓		
Cash Management Corporates		✓	✓	✓
Trade Finance	✓		✓	✓

## Key strategic priorities

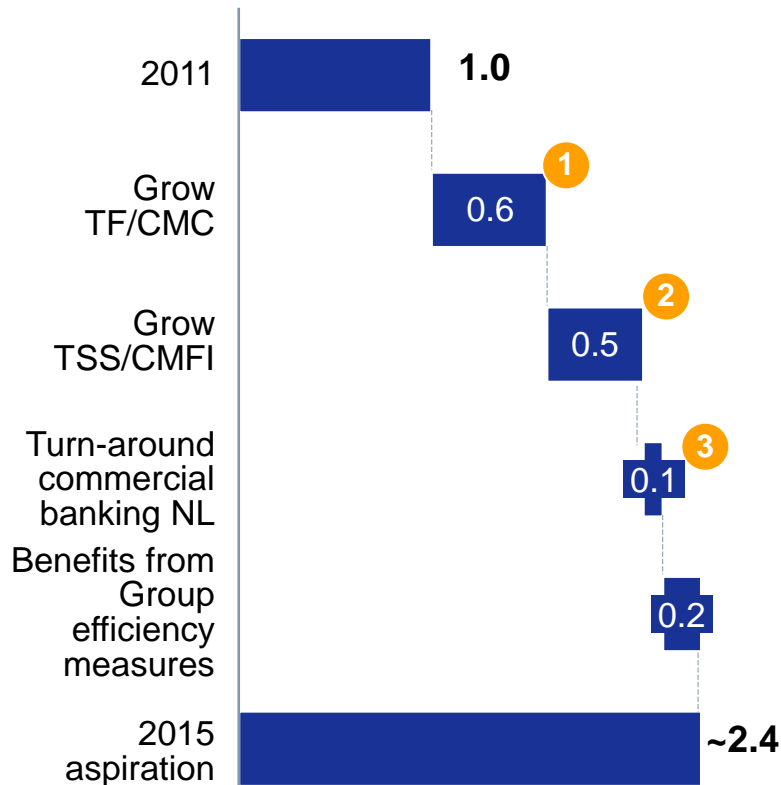
- Deepen relationships with existing and acquire new target clients
- Invest in solutions, platforms and operational excellence
- Continuously optimize business portfolio, resource utilization and global footprint
- Drive synergies from closer collaboration with CB&S, AWM and PBC
- Maintain strict cost, risk and capital discipline



# We have a clear roadmap to double our profitability

## Where we aspire to be in 2015

IBIT, in EUR bn



Note: TF/CMC = Trade Finance/Cash Management Corporates  
 TSS/CMFI = Trust & Securities Services/Cash Management Financial Institutions  
 2011: Adjusted for deduction of EUR 0.2 bn coverage cost allocation to be reflected in new business reporting structure  
 Numbers may not add up due to rounding

## How we will get there: The journey

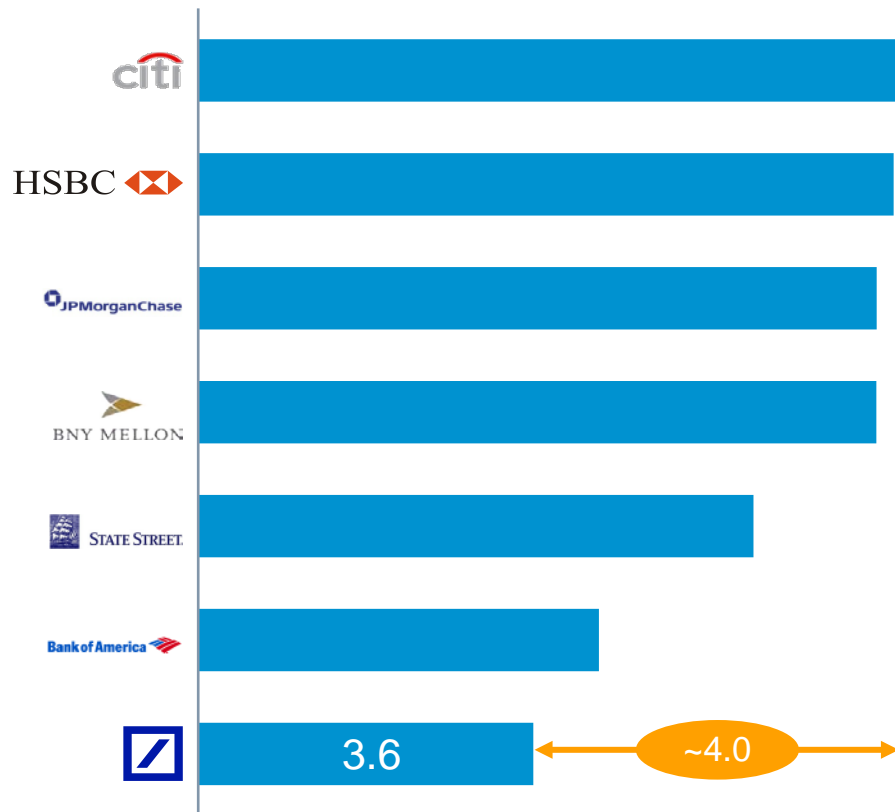
- 1
  - Leverage existing/acquire new target clients – focus on large multi-national companies in major economies
  - Drive subsidiary business globally
  - Continue roll-out of Financial Supply Chain products
  - Grow pre-export financing and export agency lending
  - Monetize FX opportunities with CB&S
  - Provide innovative client solutions driven by regulatory and market changes
- 2
  - Strengthen Euro and USD cash clearing positions
  - Expand cash clearing offering in selected additional currencies
  - Expand Trust & Securities Services offerings, e.g. Corporate Trust, Escrow and Fund Services
  - Expand into under-penetrated NBF and Broker Dealer segments
  - Leverage DB Group to win large mandates and increase sales with internal clients
  - Selectively grow in Emerging Markets, particularly Asia and Latin America
- 3
  - Increase cost and RWA efficiency
  - Optimize pricing levels and product offering



# We will invest in scale

## 2011 Transaction Banking revenues<sup>(1)</sup>

In EUR bn



(1) Competitors' earnings releases/annual reports  
 (2) RWAs including equivalent capital deduction items, Basel 3 fully loaded

## Key GTB investments

<b>RWA equivalent (in EUR bn)</b>	<ul style="list-style-type: none"> <li>Growth primarily in Trade Finance</li> </ul> <p>30 → ~10 → ~40          FY2011      FY2015 aspiration<sup>(2)</sup></p>
<b>Technology and solutions</b>	<ul style="list-style-type: none"> <li>Complexity reduction and automation</li> <li>Delivery channels and client system integration</li> <li>Product innovation and infrastructure</li> </ul> <p>EUR ~150 m p.a.</p>
<b>People</b>	<ul style="list-style-type: none"> <li>250+ FTE (primarily in sales and service) across all major business and growth regions</li> </ul>
<p>Investments funded from within GTB and from the Group</p>	

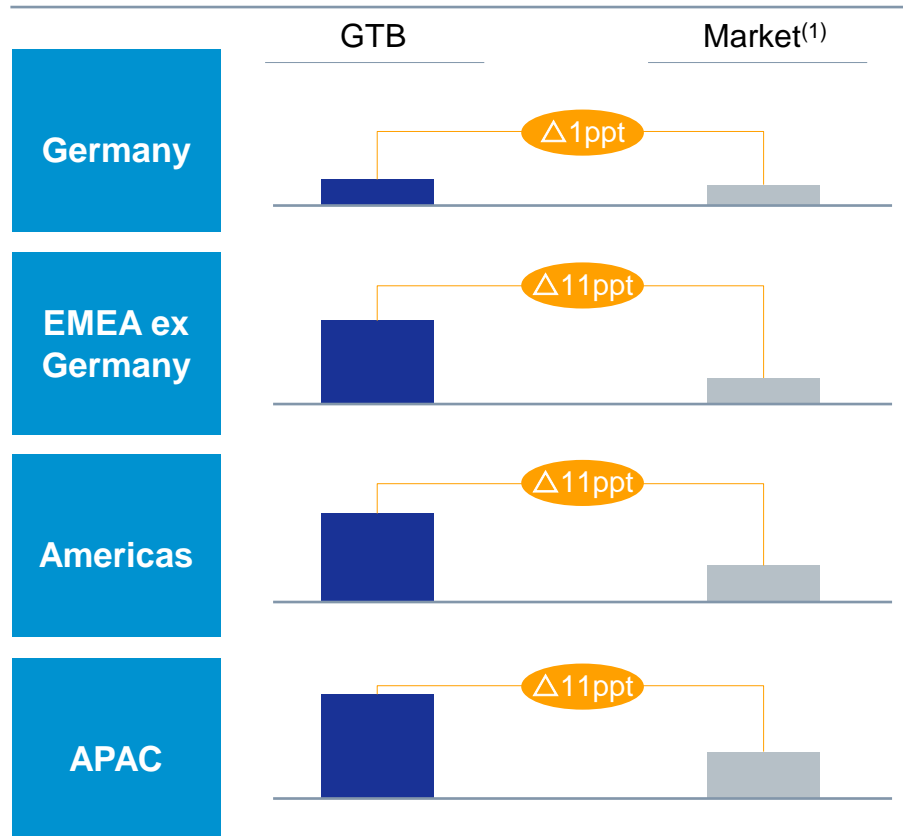


# We aspire to grow fastest in Asia, Americas and EMEA ex Germany and gain market share ...

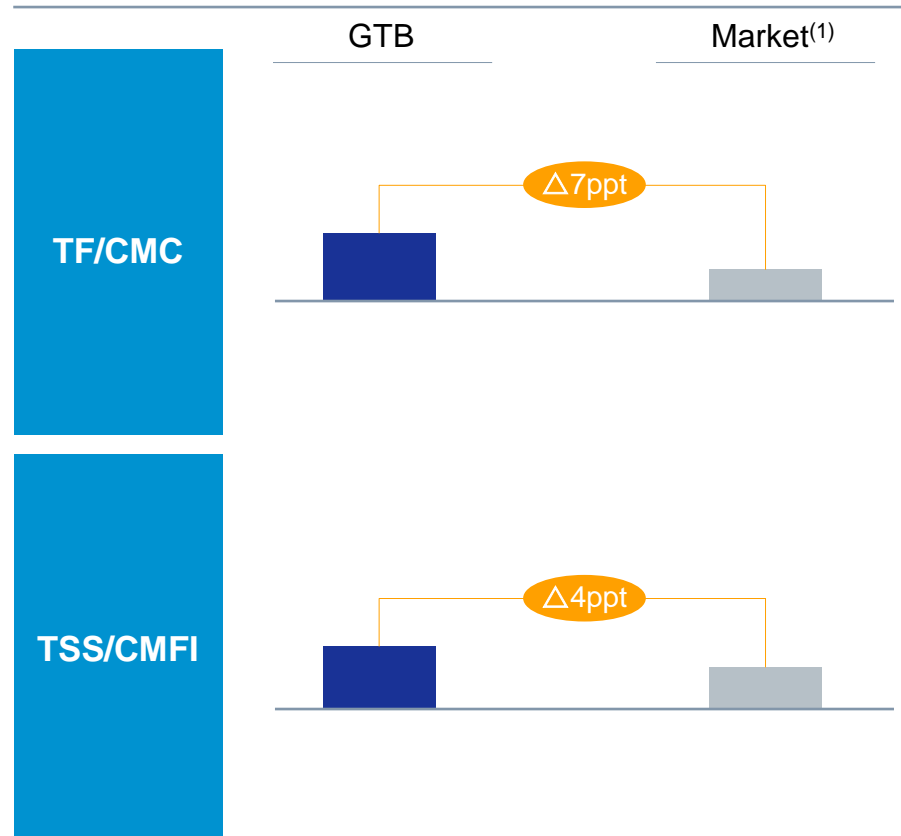


Revenue  
CAGR 2011-2015

## Gaining market share in all regions ...



## ... and across major products



Note: TF/CMC = Trade Finance/Cash Management Corporates, TSS/CMFI = Trust & Securities Services/Cash Management Financial Institutions  
Excludes the commercial banking business acquired from ABN AMRO in the Netherlands and central items (not regionalized)

(1) Source: Oliver Wyman

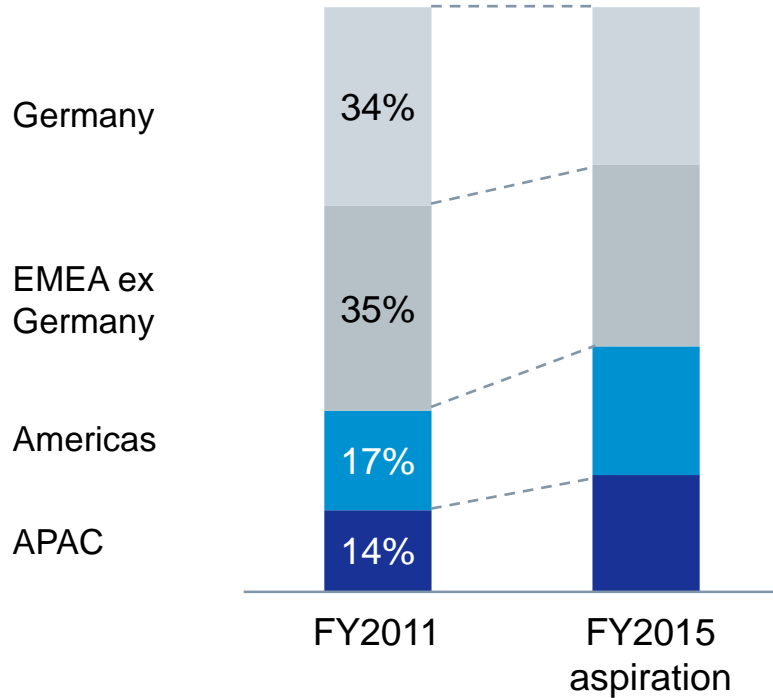


# ... and thereby optimize our global portfolio further

**ILLUSTRATIVE**

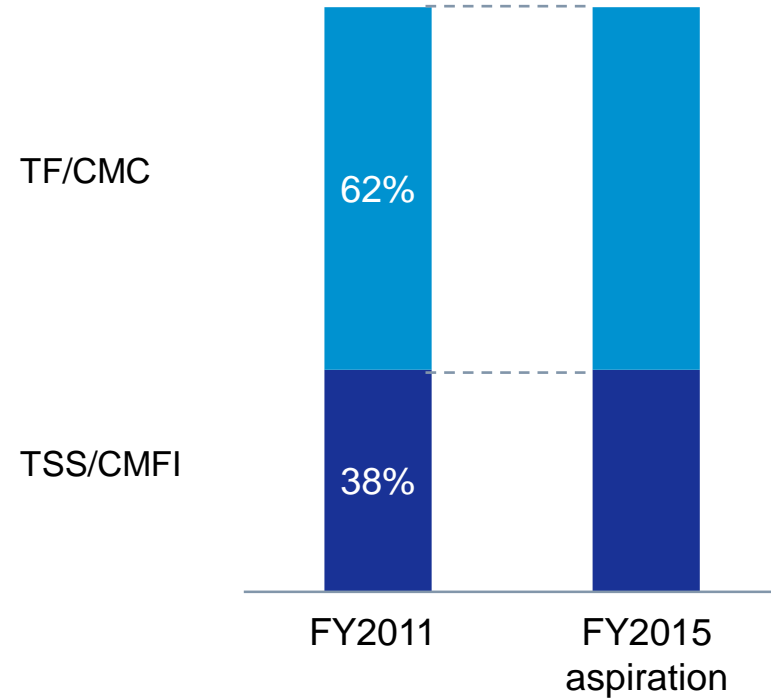
Realigning our regional portfolio to high growth regions ...

Revenue share



... while maintaining our balanced product portfolio

Revenue share



Note: TF/CMC = Trade Finance/Cash Management Corporates, TSS/CMFI = Trust & Securities Services/Cash Management Financial Institutions  
TF/CMC incl. the commercial banking business acquired from ABN AMRO in the Netherlands



# Key take-aways

The external environment remains uncertain, but offers significant growth opportunities for well-positioned transaction banks

Within this uncertainty, GTB has delivered strong and consistent performance across the cycle based on a solutions-oriented, volume-driven, scale business model

GTB is well-placed to continue on its profitable revenue growth path, across all major regions and products, based on a unique set of capabilities

We will maintain our strategic focus on clearly articulated target clients, products and geographies

We aspire to double our profitability on the back of defined strategic initiatives and targeted investments in scale, technology, solutions and people

We will fund our growth from within GTB and from the Group and maintain strict cost, risk and capital discipline



# Cautionary statements

This presentation contains forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement. Such factors include the conditions in the financial markets in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets, the development of asset prices and market volatility, potential defaults of borrowers or trading counterparties, the implementation of our strategic initiatives, the reliability of our risk management policies, procedures and methods, and other risks referenced in our filings with the U.S. Securities and Exchange Commission. Such factors are described in detail in our SEC Form 20-F of 20 March 2012 under the heading “Risk Factors.” Copies of this document are readily available upon request or can be downloaded from [www.db.com/ir](http://www.db.com/ir).

This presentation also contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation is not provided in this presentation, refer to the 2Q2012 Financial Data Supplement, which is accompanying this presentation and available at [www.db.com/ir](http://www.db.com/ir).