Paul Achleitner

Chairman of the Supervisory Board

Deutsche Bank AG

Annual General Meeting

Frankfurt am Main, 18 May 2017

– Check against delivery –

Dear Shareholders,

Let me now look back at the past year. It was a year that may well one day be seen as a significant chapter in the history of Deutsche Bank. And, I hope, as a turning point. What I have said in the past, here on this stage, was truer than ever in 2016: “this Deutsche Bank is worth fighting for”.

Fighting is what we all had to do in the past year. Staff, managers, Management Board and Supervisory Board were tested as never before. And you, as our owners and clients, also had to put up with a great deal.

But it was worth it and it will continue to be worth it. Deutsche Bank is definitely in a better position than it was just 12 months ago. It has clear prospects. Of course, we will not and must not be anything like satisfied with this.

But occasionally it is helpful to recall the problems we had to contend with last autumn: the share price fell briefly below 10 euros, and our market value, at around 14 billion euros, was roughly equivalent to the settlement the US authorities were seeking. Even though it was only an initial proposed settlement, and the bank could rely on large capital and liquidity reserves, we experienced a crisis of public confidence which culminated in a completely erroneous debate about a possible government bailout.

Looking back now, I am filled with respect and gratitude for the way our many thousands of employees at all levels of the bank rode out this crisis. I would also like to thank our loyal clients who gave us such staunch backing during that period.

And of course I would also like to thank you, our shareholders. Your support in the past, and in particular for the capital increase in March, has given Deutsche Bank additional stability. This enables us to look ahead with far more confidence than just a year ago.

In a competitive environment characterised by regulation and digitization, significant challenges remain. But our self-inflicted problems have been addressed and are being systematically remediated. A clear strategy, a strong capital base, strict risk management in all businesses and a competent management team form solid foundations for a sustainably successful Deutsche Bank. John Cryan will provide more details about this in a moment.

Management team

However, let me say one thing already from the perspective of the Supervisory Board, Ladies and Gentlemen. We are proud – yes, proud – of the achievements of the Management Board under John Cryan’s leadership in such a turbulent year. In the autumn of 2015 we formed an almost completely new team, and in its first year this team came through a veritable baptism of fire with flying colours. And I am very pleased that even our supervisory authorities now view the bank's course “favourably”, as BaFin put it in a recent public statement. It was by no means a given that this team would gel so quickly and perform so well.

The Management Board that I presented to you last year has been strengthened with three more appointments:

- Kim Hammonds, our Chief Operating Officer, has been promoted to the Management Board as planned.
- Werner Steinmüller has taken on responsibility for Asia Pacific.
- Nicolas Moreau is our new Management Board member with responsibility for Asset Management.

And we will strengthen the Management Board further very soon: as soon as we have regulatory approval, Frank Strauss will also join the Management Board of Deutsche Bank. He is currently CEO of Postbank. And on July 1 James von Moltke is due to become Chief Financial Officer of the bank. He is currently Treasurer of Citigroup in New York. I am delighted that he is also here today.

The appointments of Mr. Moreau and Mr. von Moltke offer striking proof that Deutsche Bank remains an attractive employer for top managers from outside the bank. Incidentally, you can see this not only on the Management Board, but at all levels of the organisation.

All in all, you have a young and diverse management team at your service – with an average age of 52 and five different nationalities represented on it.

But above all, this team possesses the necessary expertise to master even the most difficult situations and to put Deutsche Bank back on course for success.

Notwithstanding this praise for our Management Board, it is also clear, however, that it must continue to deliver. Investors and the Supervisory Board expect you to reach the cost and revenue targets you have set yourselves.

Since the last Annual General Meeting, Jürgen Fitschen, Quintin Price and Jeff Urwin have left the Management Board. At the last Annual General Meeting, we already commended Mr. Fitschen for his considerable achievements. Mr. Price unfortunately had to retire on health grounds after a short time in office. Mr. Urwin, who stepped down from the Management Board at the end of March, made a vital contribution to building up and restructuring our very important Corporate & Investment Bank, and filled key positions by attracting a number of new managers during his three years at Deutsche Bank.

Management Board compensation

Besides appointing Management Board members, it is the responsibility of the Supervisory Board to appraise their performance and to remunerate them appropriately. Given the comments I have already made, it'll be clear to you that a much-scrutinised measure we took at the start of the year certainly had nothing to do with performance delivered – namely, the waiving of all Management Board variable compensation for 2016.

The Management Board and the Supervisory Board concurred that in the past year – despite the achievements of the new Management Board – it would have been inappropriate and divisive to pay performance-related compensation. This also shows how much Deutsche Bank has changed.

It was the right response to an exceptional situation. However, as the situation normalises, we will also approach the question of compensation in a manner which is market-driven. We need a modern and flexible compensation system.

I am consciously emphasising 'market-driven and appropriate' in order to underline that we have taken very seriously the concerns you shared with us about remuneration of our Management Board members at last year's Annual General Meeting. We followed up by holding helpful discussions with experts and investors. The system we are proposing for approval today, under agenda item 9, is now substantially more transparent and less complex – thereby addressing the principal criticisms we received last year. The Supervisory Board seeks your approval.

Work of the Supervisory Board

The Management Board compensation system was just one of many topics for the Supervisory Board. During my time in office since the 2012 Annual General Meeting, the Supervisory Board and its committees have met no less than 303 times. There's hardly a Supervisory Board that works as intensively as ours.

In 2016 alone, we met 82 times – nine times more than in the previous year and thus a new record for the bank, albeit not one that we are aiming to break again this year. On the contrary, we expect that as the situation normalises, fewer meetings will be called for.

Detailed information on the topics that we dealt with during the year under review can be found in the Report of the Supervisory Board starting on page 10 of the Annual Report.

Besides the regular monitoring of the Management Board and of ongoing business and processes, we also devoted special attention to regulatory questions. On this issue, members of the Supervisory Board – primarily the Committee Chairs – also regularly spoke directly with regulatory authorities in various countries. Another key area was important legal proceedings, not least in connection with the settlement relating to US residential mortgage business from the period 2005 to 2007.

The Supervisory Board and in particular the Chairman's Committee and the Integrity Committee have for some time been holding very detailed and extensive discussions about whether personal or collective responsibility for past misconduct is borne by Management Board members serving at the time. We are also taking extensive legal advice from outside counsel on this matter.

So far, no definitive conclusion has been reached. However, I can report today that the Supervisory Board has reached an advanced stage of discussions with the Management Board members concerned. The Supervisory Board expects that in the coming months, there will be an arrangement which ensures that the individuals involved make a substantial financial contribution.

Ladies and Gentlemen, we not only appraise the work of the Management Board, we also set high standards for ourselves. As I have already indicated, the tasks of the Supervisory Board of a large bank are far more complex than those at many other companies. We commissioned external advisors to carry out an objective assessment of the performance and effectiveness of the Supervisory Board last year. In their judgement, our work was for the most part excellent, and frequently a benchmark for governance and controls.

In addition, we obtained some valuable suggestions for improvements. For example, in December 2016 we introduced formal rules to make the information flow between Management Board and Supervisory Board faster, better and more focused. The Supervisory Board also aims to focus more attention on forward-looking issues. That is why we chose information technology and digitization as the main topics for our 2016 Supervisory Board Training – and also took these skills into account when selecting new members for the Supervisory Board. I will come back to that point later.

The Supervisory Board training programme, described as exemplary by external advisers, comprised six days since the last Annual General Meeting, in addition to the regular sessions I have already mentioned. Every module is jointly composed of one Management Board member and one Supervisory Board member. Tomorrow, for example, the new Supervisory Board will attend a seminar on disruptive technologies, fraud risk and brand strategy.

People in the Supervisory Board

The key to our success is the great dedication of each individual that far exceeds the usual scope of work done by Supervisory Boards. That is why I consider it particularly important to take this opportunity to thank Klaus Trützschler and Peter Löscher most sincerely for their dedication over the last five years. Both of them performed great service through their work in the Audit Committee and Integrity Committee respectively during difficult times for our bank.

Our very special thanks go to my former deputy Alfred Herling, who left the Supervisory Board at the end of 2016 – and who at the start of this month completed his last day at Deutsche Bank after 48 years of service. Dear Mr Herling, the open, trusting and constructive working relationship we always shared was a great help to all of us, and to me in particular, in challenging situations – please accept my special thanks for that.

A further employee representative, Rudolf Stockem, also left the Supervisory Board in the past year. I would also like to thank him for his contributions and dedication, especially on the Risk Committee.

They are succeeded by Stefan Rudschäfski and Jan Duscheck – Gentlemen, I look forward to working with you further. Mr Rudschäfski was also elected Deputy Chairman of the Supervisory Board at our meeting on December 13, 2016 and I also warmly congratulate him on this.

On the shareholder side there are four candidates to be voted on by you, the Annual General Meeting. In the Nomination Committee we placed great emphasis on continuing to broaden and deepen the expertise in the Supervisory Board. I am convinced that we will succeed in doing so with these three new candidates.

Their CVs were enclosed with the invitation to the Annual General Meeting. I would now like to give them the opportunity to saw a few words about themselves.

First of all I want to call on Gerhard Eschelbeck, who as the Head of Cybersecurity at Google brings special expertise in this area that is so important to our bank. The importance of IT security has been brought home to us by the cyber-attacks of the last few days.

I now ask Alexander Schütz to come to the microphone. He is not only an experienced entrepreneur, investment manager and capital markets expert, but also manages the stockholding of our new shareholder HNA, with a holding of around 10%. Mr Schütz is initially to be appointed by you for just one year until the next AGM – in accordance with the staggering of terms in office defined in our Articles of Association.

During the year Stefan Simon, an acknowledged expert in legal affairs and corporate governance, was appointed by the court as the successor to Georg Thoma, whose contributions we acknowledged last year at this meeting. In the past months Mr. Simon has already firmly established his place as an important member of the Supervisory Board and following a vote by this Annual General Meeting is intended to become not only a member of the Integrity Committee, but – as a trained tax advisor – also a member of the Audit Committee.

And finally, I am putting myself forward for re-election today – and my colleagues have stated that in this event they intend to vote for me as their Chairman once again. In the past five years we have achieved a lot together for our bank, resolved legacy matters and remediated problems of the past.

In my opinion the bank now has excellent personnel, both on the Management Board and on the Supervisory Board. This Management Board has instigated a far-reaching restructuring programme and has just presented a refined strategy. This work now needs to be continued rigorously, and staff continuity will help in this regard. As long as I enjoy your trust, my dear shareholders, and that of my colleagues on the Supervisory Board, then I would be pleased to remain at my post.

Importance of a European capital market

Ladies and Gentlemen, I am totally committed to this task because I am absolutely convinced that Germany and Europe need a bank like Deutsche Bank. If we want to consolidate our position as the leading European bank with a global network, then we need a strong and united Europe.

All of us, as the staff and owners of Deutsche Bank – but also as citizens, in my opinion – have a vital interest in the long-term success of Europe, and the eurozone in particular. So I believe that it is our duty, both as a bank and each one of us as individuals, to play our part in creating a dynamic Europe. A Europe that can shape its own destiny rather than being dictated to by others.

One element of this, in my opinion, is a single capital market which, in modern society, performs a function which is as important as the internet. Of course, nothing functions without technology these days – but nothing functions without financing, either.

Faced with intentionally shrinking bank balance sheets, we need a growing capital market. Despite many announcements, too little has so far been done to map out a path to an efficient eurozone capital market. We hope that the upcoming Brexit is a wake-up call which prompts us to become more closely integrated, for the good of Europe.

Deutsche Bank explicitly supports European integration – especially now, since this idea is no longer universally popular. We recently joined ten other companies in launching the “Our Commitment to Europe” initiative. The Management Board and Supervisory Board concur: your Deutsche Bank should do its utmost to combat short-sighted populism and strengthen Europe for the long term. Deutsche Bank needs Germany and Europe, but we also assert, with self-confidence, that Germany and Europe are both that bit stronger with a strong Deutsche Bank.

I hope that we can count on the same support from you for our commitment to Europe as for the strategy of our bank. John Cryan will now provide you with more detail on this.

Thank you very much!