

Subject: YTD progress update [I]
From: Stewart Oldfield <[REDACTED]>
Date: Fri, 15 Jun 2018 14:46:01 -0400
To: Stewart Oldfield <[REDACTED]>

From: Stewart Oldfield
Sent: Monday, December 04, 2017 2:24 PM
To: Andrew Gallivan <[REDACTED]>
Subject: YE progress update [I]

Classification: For internal use only

Andrew,

I know you have a ton of reviews to do, but given our last breakfast conversation, I would like you to spend some extra time on mine this year. Happy to catch up whenever you like to refine the conversation and the broader messaging. And apologies for the length of this – lots to cover and I thought it would be best to start with an email to lay it all out.

I think you and I have consistently been on the same page about the opportunities and challenges I have experienced at DB, and my performance in light of both. I appreciate the support you've given me and hope you know how much I value having you in my corner, especially since Chip left. As you know, I'm focused on a short list of things here - primarily, I want to add value to DB and our clients above all else. You know I enjoy what I do, so results and progress are really what matter to me. After three years here during an extremely difficult time for the bank (and our group specifically), I feel I need to be recognized for both my efforts and contributions and need to progress to the next level in terms of compensation and title.

Brief history:

- Hired in 2014 to focus on investments given 16yr+ (now 20yr) career in structured fixed income and equity products

- 12yr relationship with Chip ensured that he knew my capabilities and deep level of client relationships
- Initially teamed up with Paul Morris, who left DB in early 2016
- When I joined, KCP was fairly new and ISG was nonexistent. Paul was having limited success.
- At various times, I have been offered positions as head of ISG or part of KCP

Financial progress:

2014 revenues (Paul)– \$0.9mm

2015 revenues (combined) – \$1.3mm

2016 revenues (combined) – \$1.6mm

2017 targets Revenues
\$6.2mm – based primarily on \$4mm+ fee from AMP

revs Investment
\$2.0mm

Deposits \$150mm

New relationships 3

2017 actuals Revenues (Stew, annualized) \$1.7mm, just under target (ex AMP)

above target Revenues exit run rate (Stew) \$2.5mm,

Deposits \$150mm+, on target (and significant given loss of 2016 assets during DOJ)

New relationships 2. Significant other wins in account retention

2017 performance highlights:

Third Lake – had major relationship breakthrough in 2016. Won \$107mm in deposits in DBTCA across 18 accounts. All deposits and 16 accounts were gone by the end of the year due to the DOJ news (the two remaining open accounts had less than \$1 in them). Family CIO also left in 2016. Rebuilt trust in DB throughout 2017. Have opened 37 new accounts this year, including for family office executive who isn't part of the family. Have received \$130mm in new deposits this year into DBNY, with current balance at \$82mm. Have developed strong relationship with new CIO and also directly with family members. In active dialog around new investments. Revenues will be up 100% yoy vs. 2016. This is a huge win from where we started.

Southern Financial – one of the most complicated client situations I've seen. Have been extremely vocal about our lack of trading capabilities in KCP. Withdrew large portion of assets during 2016 (not DOJ related). Client was offboarded by Global markets at the end of 2016 due to lack of profitability. Further internal issues nearly caused us to offboard the client completely. Client was quite close to Paul and viewed his departure as a negative. We've managed to salvage and massively improve this relationship in 2017. To start, we won \$50mm of deposits into DBNY based on strong relationship coverage of client and his family office. We've also turned around the GM/trading issues via KCP. Client has been re-onboarded and ISDA reestablished, and is now the first and largest trading counterparty of the KCP capital markets group. Current balances are ~\$150mm across brokerage and deposits. Revenues should be up 100% yoy vs. 2016 and investment revenue run rate (via KCP) is substantial.

Ali Rashid - \$50mm + net worth client. Former private equity partner. Won relationship away from GS and JPM. Accounts established July 2017. So far has traded:

DPM, RCM and structured notes via ISG. DB has become his top bank and relationship is growing steadily.

Financial Architects – Insurance advisory firm based in Boston and California. Strong relationship with former CS broker who runs business development there has led to several referrals for insurance premium finance and a single stock hedging transaction. At this point we are working on a few live situations, but have been held back by some state insurance

licensing constraints. This should be a major source of new client relationships for us if we can efficiently execute on the premium finance opportunity. So far, they have referred clients worth more than \$1.5bn. Working closely with Suzy Cozzi in lending and Sam Petrucci to make this work.

MCM – Worked closely with Terri and KCP to win \$250mm fundraising mandate. Successfully convinced KCP to take on the 3PI mandate. Deal still in progress, and complicated.

Raj Pundarika – new client currently opening accounts in the US for the first time. Has existing/prior relationships with Barclays and DB Singapore.

Elysium – Leon Black family office. Have been working tirelessly to develop relationship with them. Hard to get traction given Leon's focus on private markets and strong embedded relationships with US Trust and JPM. Finally earned chance to compete for a \$300mm loan and lost due to DB's inability to provide long-term committed unsecured financing.

KCP – KCP remains a major initiative for the bank and I've been one of the most involved and supportive bankers. On the private markets side, I've worked on their two largest opportunities over the last 18 months, AMP and MCM. I've also worked to help build/rebuild their capital markets business. With Southern Financial now trading actively, I'm working closely with Martin and the team to develop new trading relationships with clients we couldn't previously cover efficiently. KCP will remain a core focus of mine, but they need to build a stronger pipeline. Losing a mandate to sell Virage was a setback there.

Internal networks – I've worked to further expand my internal network this year. I'm involved in DeutscheTech, which is a global group of private bankers who cover clients in the tech industry. I've also become more involved with our NextGen network and will continue to contribute to those efforts. Finally, I've been involved with a global DB branding focus group. Corporate culture is very important to me and I would like to continue to get more involved.

Banker partnerships – In 2017 I began to work more closely with Terri Sohrab which led to success with MCM and greater collaboration on several other

accounts. My background and skill set are complementary to Terri's and we work well together. I've also worked a bit with Heather Kirby and have been asked to partner on several accounts by Bruce McDermott. Other bankers continue to seek me out to help on certain situations and I'm known as a team player. I think this is especially important in the current environment at the bank.

Lending – This is the area where I have been consistently frustrated and 2017 has been no different. Once again I've brought several opportunities to credit and haven't been able to convert any of them. I'm hoping that insurance premium finance will bring more success and will continue to aggressively pursue new lending opportunities.

Career trajectory – As you and I have discussed, I remain committed to being a banker at DB and believe that I'm well positioned to succeed in our new, investment focused business. I've done a solid job earning, retaining and growing business in a very challenging environment. I work well across all of our product areas and with other bankers. We've talked about KCP as a potential fit for me in the past, but I would like you to remove your recommendation for a potential role change from my review. More generally, I would like the tone of my review to focus more on the combination of success to date and potential to be a very successful banker here. I would like to be recognized as someone the firm should be investing in and helping to get to the next level as part of the future of our franchise.

Finally, as you know, my mutual expectation with Chip was to have achieved an MD promotion by now. I appreciate that the last 3yrs here have not been what either of us expected, but I feel I have put in the effort and have the support to make this happen next year. I've established key relationships, worked through very challenging times within the bank and managed to grow revenues and win new client business. After a 20yr career, I would like to formalize a plan with you to accomplish this soon. My revenues are trending strongly, my strengths match the aspirations of our business in terms of product and client mix and I think I have the support of a broad range of senior people (outlined below) to make this happen. Ultimately, though, yours is the support I most need to pursue this next year. Thanks again,

Stew

MDs who should be supportive of promotion

Management:

Steve Mattus

Patrick Harris

Kim Hart

Salman Mahdi

Caroline Kitidis

Wealth Planning:

Sam Petrucci

ISG:

Coley Jellinghaus

KCP:

Todd Stevens

Dan Kaiser

Xavier Avila

Tazia Smith

DPM:

Larry Adam

Paul Bartilucci

Credit:

Tom Clarke

Nick Haigh

Laura Farischon

Pete Ferrara

Deposits:

Charlie Burrows

Bankers:

Terri Sohrab

Bruce McDermott (based on KCP experience)

Heather Kirby

Deirdre Judge

CIB:

Several, can discuss

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