



# Deutsche Bank – Execution & Franchise Strength

Christian Sewing – Chief Executive Officer

DB Global Financial Services Conference, New York, 26 May 2020



- Strategy well aligned with the current environment – Q1 2020 results support positive trend
- Strategic progress ahead of our internal expectations in first 3 out of 6 transformation quarters since July 2019
- Franchise strength is increasingly visible – 11% positive operating leverage<sup>(1)</sup> in the Core Bank in Q1 2020
- Strong capital, liquidity and conservative risk levels position us well to absorb upcoming stress
- Home market in Germany is the most stable market in which to operate

(1) Q1 2020 Core Bank year-on-year revenue growth excluding specific items of 7% with adjusted costs excluding transformation charges (4)%

# We are ahead of plan with our strategic transformation



Our decisive actions announced in July 2019

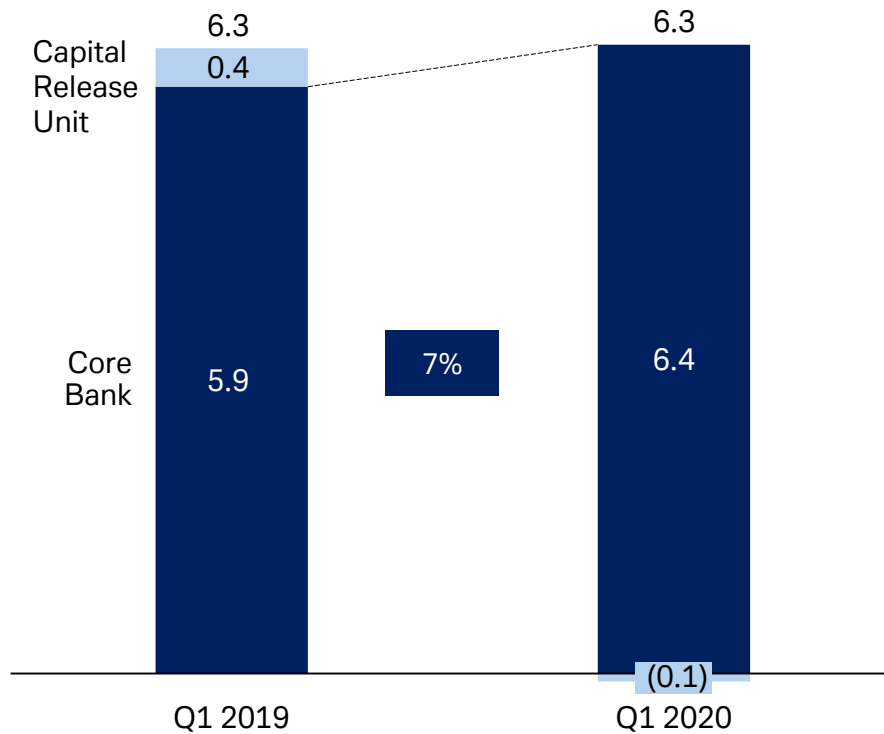


# Our franchise strength is increasingly visible

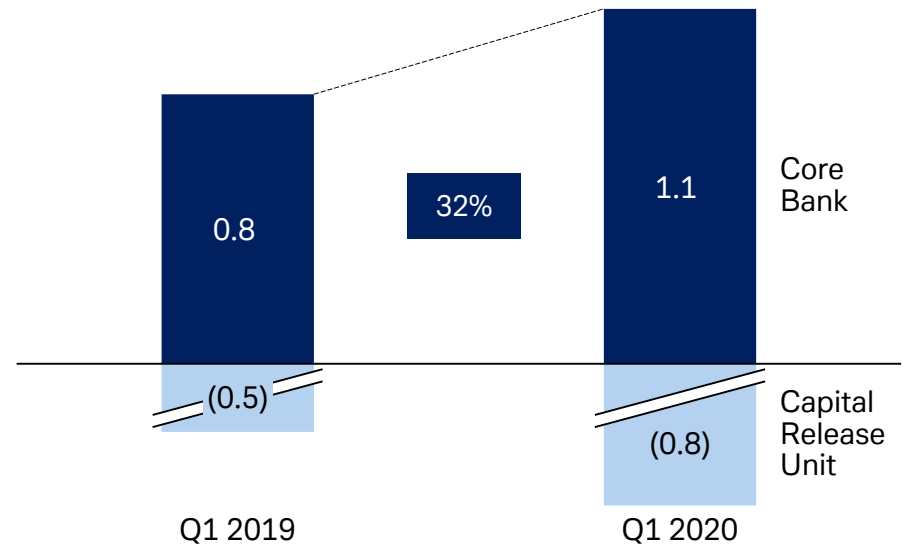
In € bn



Revenues ex. specific items<sup>(1)</sup>



Adjusted profit (loss) before tax<sup>(2)</sup>

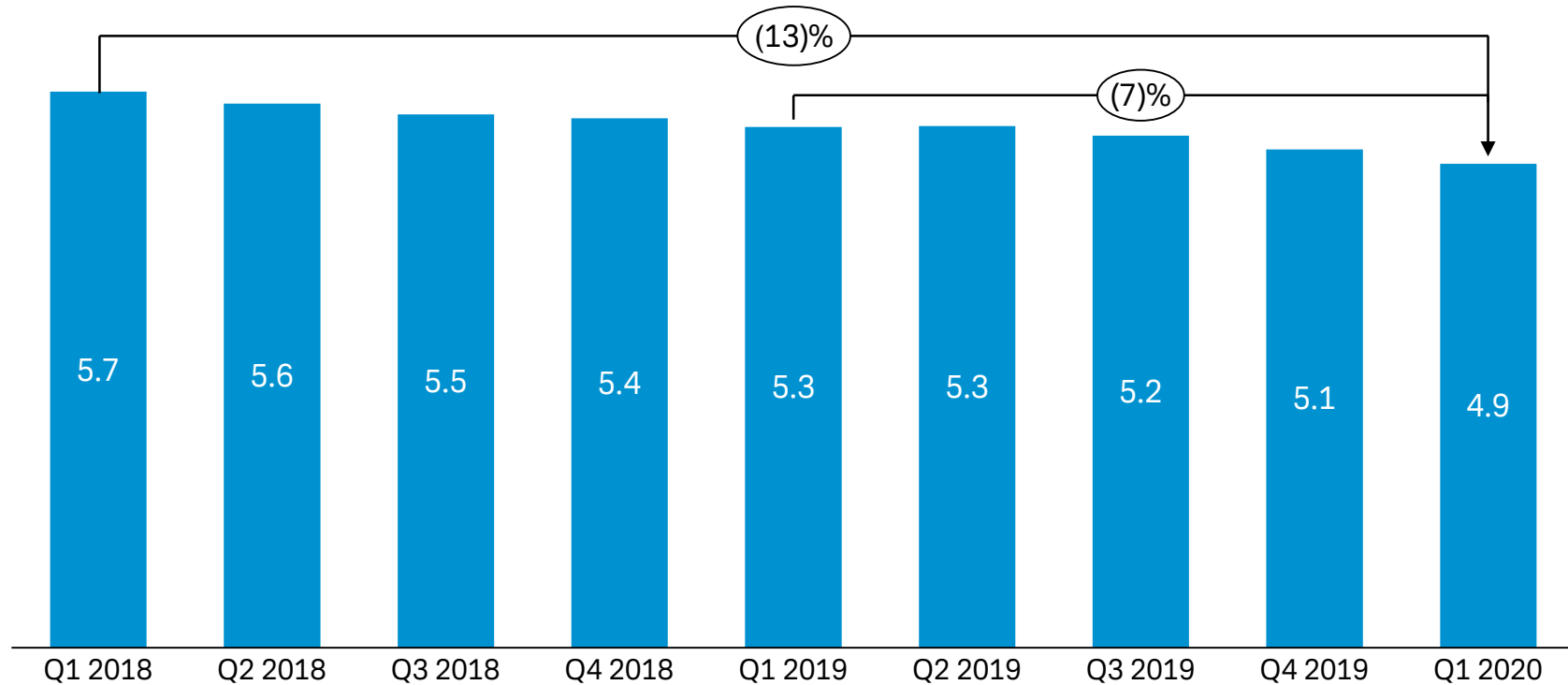


(1) Q1 2020 reported revenues: Group € 6.4bn, Core Bank € 6.4bn, Capital Release Unit € (0.1)bn

(2) Q1 2020 reported profit (loss) before tax: Group € 0.2bn, Core Bank € 1.0bn, Capital Release Unit € (0.8)bn

# Disciplined progress towards cost reduction targets

Adjusted cost excluding transformation charges and bank levies, in € bn



# Four leading divisions with continued franchise momentum



## Investment Bank

RoTE<sup>(1)</sup>: 10%

- 80% revenues from franchises in top 5 market positions
- #3 in Credit globally
- #3 in FX globally
- #3 in EMEA FIC

## Private Bank

RoTE<sup>(1)</sup>: 5%

- 22m clients worldwide
- € 450bn assets under management
- € 230bn loan book
- #1 German wealth manager

## Corporate Bank

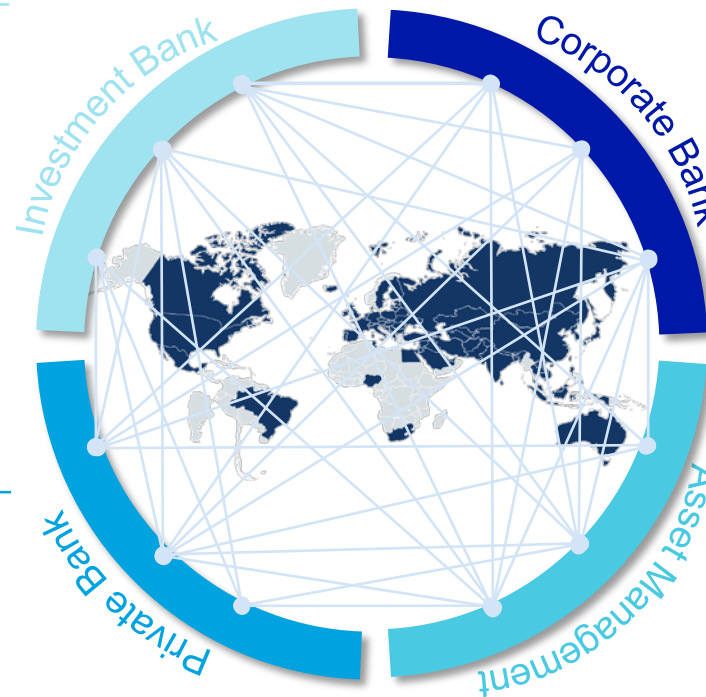
RoTE<sup>(1)</sup>: 5%

- #1 Euro clearer
- Leading non-US domiciled USD clearer
- Banking network across 145 countries
- Trusted advisor to ~900k German commercial clients

## Asset Management

RoTE<sup>(1)</sup>: 17%

- #1 German retail asset manager
- #2 European manager of exchange traded funds
- #4 insurance asset manager globally
- 81% AuM outperformance against benchmark



(1) Q1 2020 return on tangible equity annualized excluding bank levies

# Executing well on our strategic priorities

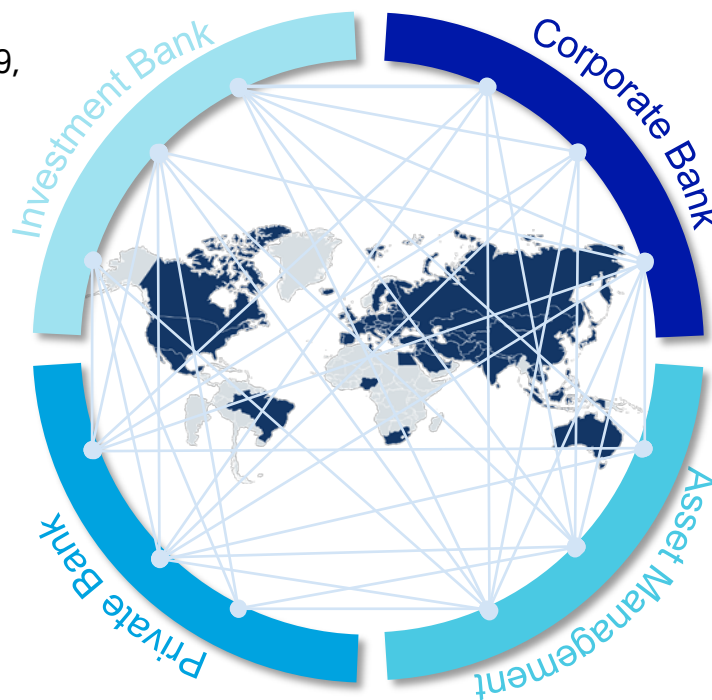


## Investment Bank

- Stabilize our revenues and focus on core strengths
- After front-office reductions in 2019, focus on infrastructure efficiencies
- Invest in technology capabilities to optimize flow business
- Optimize funding

## Private Bank

- Drive efficiencies, in particular in Germany
- Monetize #1 position in Germany
- Convert deposits into investment products / shift into mandates
- Grow international and wealth platforms



## Corporate Bank

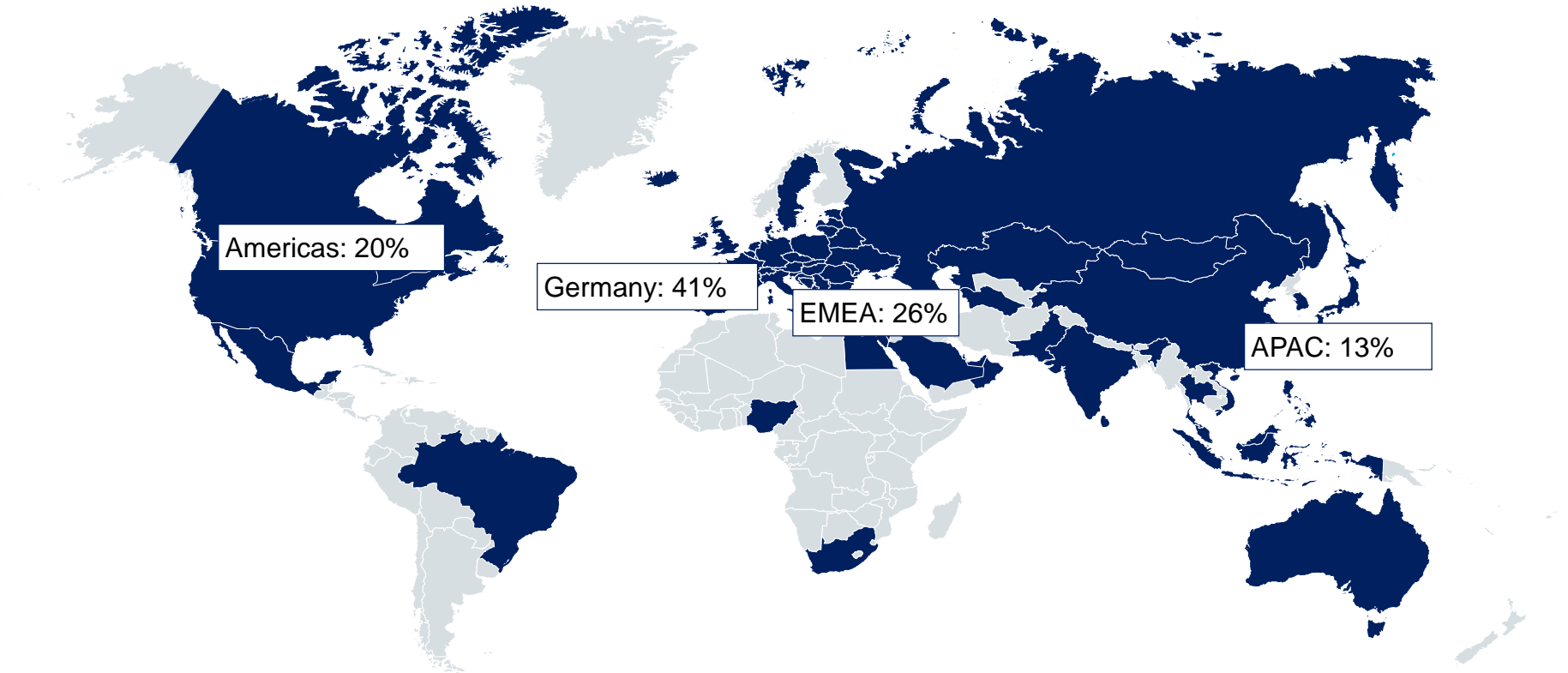
- Be the bank of choice for the Corporate Treasurer
- Capture the full potential of our payments business
- Grow Asia-Pacific revenues
- Pass through on negative interest rates

## Asset Management

- Launch innovative products and maintain strong performance
- Leverage strategic partnerships to reach 3-5% net inflow target
- Make DWS a top 10 Asset Manager and become ESG thought leader
- Take further cost measures

# We operate where our clients want us to be

2019 revenues



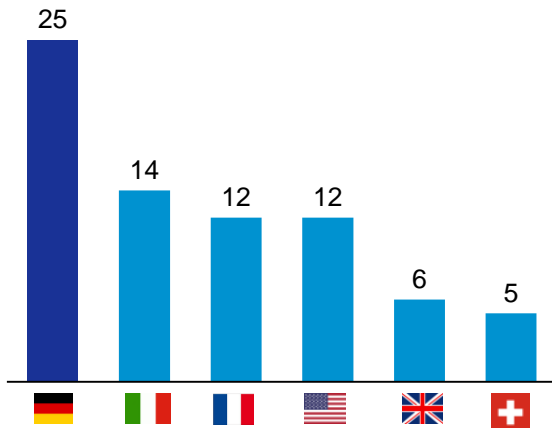


# Well positioned in this crisis as Germany's leading bank

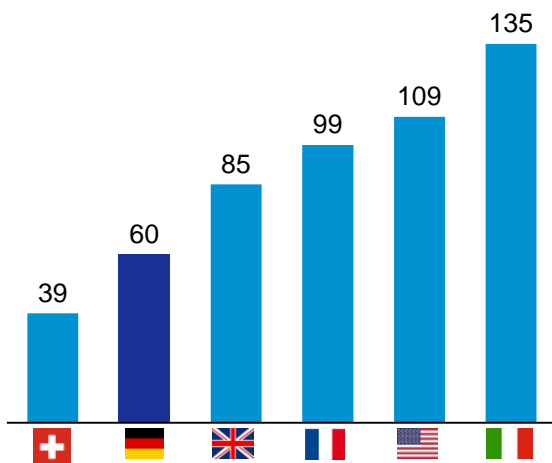
% of GDP as of 2019



Announced government COVID-19 measures



Government debt



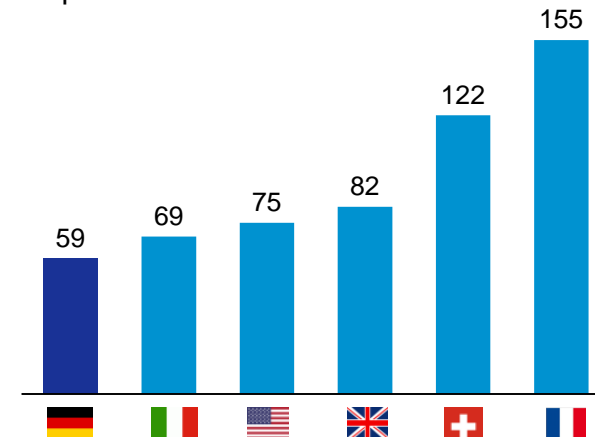
Access point to state sponsored lending as 'Hausbank' to ~900k corporate and commercial clients

Leading German corporate finance franchise – 14% market share year-to-date

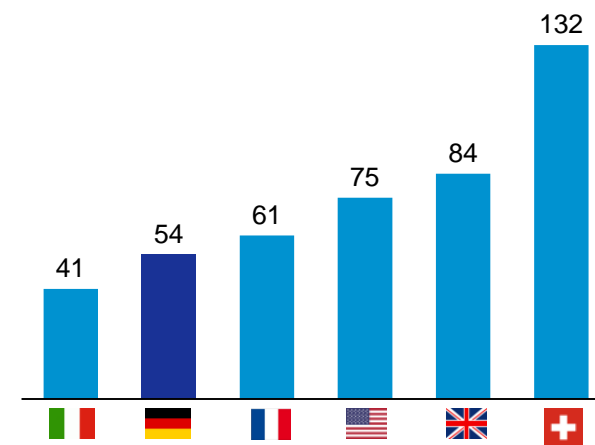
Reinforced position as leading German retail bank

Provided liquidity and solutions as the #1 domestic retail asset manager

Corporate debt



Household debt



Source: DB Research, Bundesbank, IMF, Bruegel

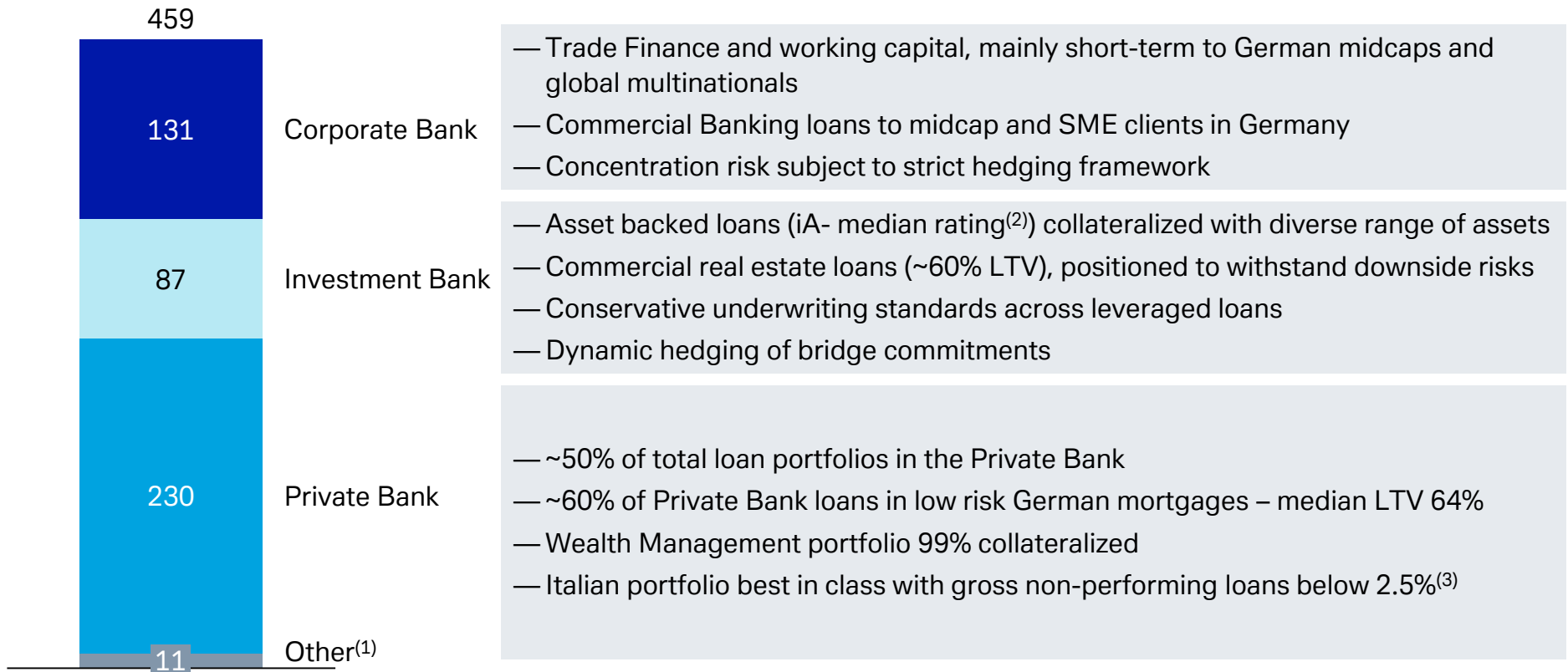
# Maintained strong balance sheet



	Q1 2020	Comment
Common Equity Tier 1 capital ratio	12.8%	239bps above current regulatory requirements
Liquidity reserves	€ 205bn	Maintained a strong liquidity profile while supporting client demand
Liquidity Coverage Ratio	133%	€ 43bn above requirements
Average Value at Risk	€ 24m	Tightly controlled market risk
Provision for credit losses as a % of loans	44bps	Increase reflects deteriorating macroeconomic outlook

# Low risk, well diversified loan portfolio

Q1 2020 loans at amortized cost, in € bn, period end



90% of our commitments in the Corporate and Investment Bank are to clients rated investment grade

Note: Loan amounts are gross of allowances for loan losses. LTV = Loan to Value

- (1) Mainly Corporate & Other and Capital Release Unit
- (2) Based on Deutsche Bank internal rating assessment
- (3) Applicable to DB SpA

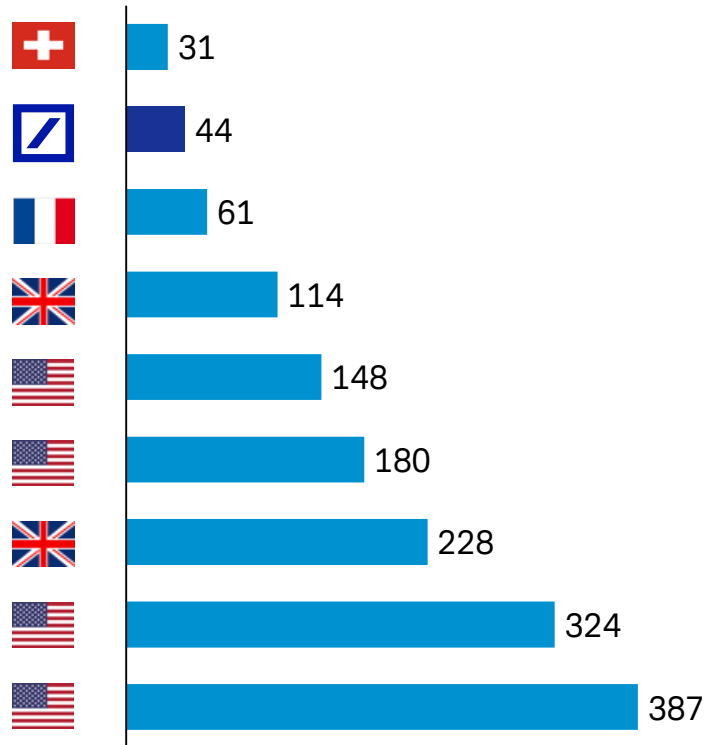
# Strong credit quality versus peers

Q1 2020



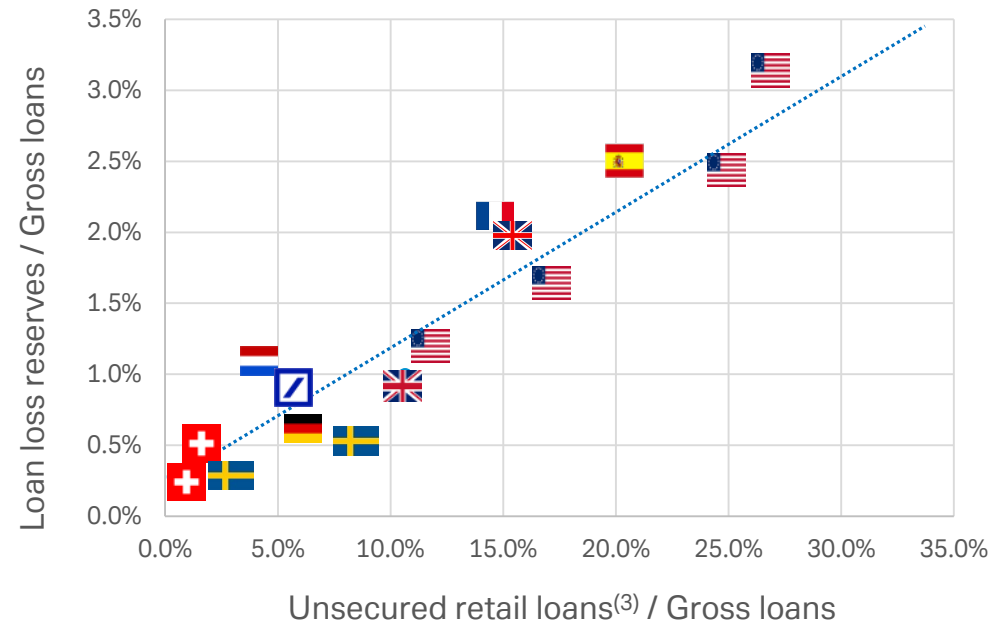
## Credit Loss Provisions (CLP)<sup>(1)</sup>

In bps



## Loan loss reserves consistent with peers<sup>(2)</sup>

In %



(1) Annualized, in bps vs gross loans

(2) For banks that did not disclose loan split details for Q1 2020, assumption that loan mix equals Q4 2019

(3) Unsecured retail loans defined as retail loans excluding mortgages and excluding loans collateralized by securities

# Increasing investments in technology and controls



~€ 900m investments in Technology across Risk, Anti Financial Crime and Compliance in 2017 – 2019

Aggregate investments in Risk, Anti Financial Crime & Compliance Technology to increase further in 2020



## Anti-Financial Crime

Daily name list screening of all our clients against sanctioned entities, politically exposed persons and our internal criteria



## Compliance

We now monitor over **1 million communications on a daily basis** across email, chats and voice communications **across 12 languages**



## Credit Risk

Implemented new Global Credit Rating System (GCRS) with **~4,500 counterparties migrated**. Improves data timeliness and monitoring capabilities



## Market Risk

Historical Simulation Risk Management launched, improving accuracy, granularity, control and risk management through **~15bn trade revaluations daily**

# Our targets



Stabilize,  
then grow revenues



Continued business momentum positions us well in current environment

Cut costs



Strategic priorities supporting our cost reduction path

Maintain capital discipline



Well capitalized, highly liquid and low risk balance sheet provides a solid foundation to support clients

Reaffirm our Return on Tangible Equity target of 8% in 2022

# Well positioned to address the upcoming challenges



## Success factors

## Our response



Structural cost reductions



Executing on 25% (€ 4.5bn) reduction in adjusted costs by 2022  
Working to identify new opportunities, including real estate footprint



Scale



Strategy focused on businesses in market leading positions



Technology



Committed to € 13bn IT spend from 2019 to 2022  
Focus on reinforcing market leading businesses and controls



Sustainability



Accelerating ambitions – € 200bn target for sustainable financing and green products by 2025

# 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 2020 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 Q1 2020 Financial Data Supplement, which is accompanying this presentation and available at [www.db.com/ir](http://www.db.com/ir).