



## **Deutsche Bank AG**

Deutsche Bank Q4 2020 Fixed Income Conference Call

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### **Transcript**

#### **Speakers**

James von Moltke, Chief Financial Officer

Dixit Joshi, Group Treasurer

Philip Teuchner, Investor Relations



Philip Teuchner

Thank you, Hayley. Good afternoon or good morning and thank you all for joining us today. On the call, as always, our CFO, James von Moltke, will speak first. Then, our Group Treasurer, Dixit Joshi, will take us through some Fixed Income-specific topics. For Q&A, we also have Jonathan Blake, our Global Head of Issuance & Securitisation, and Ralf Leiber, Head of Group Capital Management, with us.

The slides that accompany the topics are available for download from our website, at [db.com](http://db.com). After the presentation, we'll be happy to take your questions but, before we get started, I just want to remind you that the presentation may contain forward-looking statements which may not develop as we currently expect. Therefore, please take note of the precautionary warning at the end of our materials. With that, let me hand over to James.

James von Moltke

Thank you, Philip, and welcome from me. Our performance in the fourth quarter and in the full year shows the progress we have made in executing on our strategy. We were profitable on a pre and post-tax basis in the fourth quarter, and the full year on a Group level. The improved profitability in the Core Bank offset the continuing transformation effects, higher provisions for credit losses, and continued de-risking in the Capital Release Unit.

We have demonstrated execution discipline as we hit all of our key targets and milestones in 2020 and over the last 18 months, despite the challenges of COVID-19. Our diversified loan book and disciplined risk framework help us to manoeuvre during uncertain times. We remain disciplined on capital while we grow our businesses. By now, we have put aside any doubts that we can self-fund our transformation.

Let us look at a summary of our financial performance compared to the prior year, on slide four. Operating leverage was strong in the fourth quarter at 23% on a reported basis, as revenues increased by 2% and non-interest expenses declined by 21%.

Adjusting for specific revenue and cost items, operating leverage was 12%. On this basis, we grew revenues by 4% and reduced costs by 8%. We generated a profit before tax of € 175 million or € 621 million excluding transformation charges, restructuring and severance, and specific revenue items. For the full year, we generated a pre-tax profit of € 1.0 billion. Provisions for credit losses was € 1.8 billion in the full year, in line with our expectations at 41 basis points of average loans.

Our improved results are supported by growing revenues under our refocused business model, as you can see on slide five.



We've increased Group revenues by € 800 million in 2020, as growth in our core businesses more than offset the exit from equities trading. Core Bank revenues have increased by 6% to € 24.2 billion. This puts us close to the plan of € 24.4 billion that we laid out at the investor deep dive as part of our path to the 8% return on tangible equity target in 2022.

This growth has principally come from our refocused Investment Bank, which was able to capitalise on favourable market conditions and to deliver on the strategic transformation of our fixed income business.

The Corporate Bank and Private Bank successfully offset headwinds, primarily lower interest rates, to keep revenues essentially stable year-on-year, and we would expect underlying growth to feed through to the top line as interest rate headwinds soften, consistent with the forward curve. Asset Management was slightly lower, due to the non-recurrence of certain performance fees in 2020. In summary, all our businesses executed on their strategic objectives.

Slide six shows the progress we have made in reducing adjusted costs. Excluding transformation charges and bank levies, we've reduced adjusted costs year-on-year for 12 consecutive quarters. In 2020, we reduced adjusted costs, excluding transformation charges and expenses eligible for reimbursement related to Prime Finance, by 9%.

On this basis, and excluding bank levies, our fourth quarter run rate puts us on a good path to our 2022 target of € 16.7 billion. This run rate also leaves room for targeted investments in 2021, as we highlighted to you in December.

Let us now move to slide seven to discuss our provisions for credit losses. Consistent with our prior guidance, provisions for credit losses remained at more normalised levels in the fourth quarter. Provisions were € 251 million in the quarter, equivalent to 23 basis points of loans on an annualised basis. The decline for the fourth quarter is driven by releases in COVID-19-related Stage 1 and 2 provisions, reflecting positive changes in consensus macroeconomic outlook since the third quarter.

Stage 3 provisions declined by 14% in the quarter but remain more elevated in the Private Bank and the Investment Bank. We retained the management overlay we established in the third quarter, given continued uncertainties in the macroeconomic outlook.

Including the provisions taken in the fourth quarter, we ended the period with an allowance for loan losses of € 4.8 billion, equivalent to 111 basis points of loans. Our plans assume



provisions for credit losses will decline this year compared to 2020 but will remain elevated compared to pre-COVID-19 levels.

Our disciplined execution is increasingly visible in our results, as you can see on slide eight. The next phase of our transformation is to further improve sustainable profitability by growing revenues and, at the same time, reducing costs. We've generated positive double-digit operating leverage in 2020 at both Group and Core Bank levels. The operating leverage has driven significant improvements in Core Bank profitability.

Adjusted for transformation charges, specific revenue items, goodwill impairments, as well as restructuring and severance, pre-tax profit in the Core Bank is up 52% in 2020 to € 4.2 billion. Over time, more of the Core Bank's profitability should flow to the Group's bottom line as we continue to make progress on our transformation agenda and provisions for credit losses normalise.

The strength of our balance sheet at year end, which we discuss on slide nine, also positions us well to further grow our businesses. Our Common Equity Tier 1 ratio was at 13.6%, essentially flat year-on-year. Liquidity reserves and liquidity coverage ratio were both above prior year levels. Dixit will go into more detail later. As a result, we can deploy our capital and liquidity strength to support clients in what is still an uncertain environment.

Finally, as we explained, both in December and at our Risk Deep Dive in June last year, we have benefitted from a high-quality loan book and a disciplined credit risk framework that enable us to deliver within our guidance on provisions for credit losses. Our transformation is fully on track and our performance in 2020 gives us good visibility towards our 2022 targets. With that, let me hand over to Dixit.

Dixit Joshi

Thank you James. Let me start with a summary of the progress we made in 2020, which positions us well for 2021, on slide 11. We continue to optimise our balance sheet, including the rollout of deposit charging. On capital, we have increased the buffer above our regulatory capital requirements to € 10 billion, reflecting the Tier 2 issuance earlier this month.

We are pleased with the way capital markets are reacting to our transformation. Our spreads have tightened significantly in 2020, outperforming peers. For example, our senior non-preferred debt tightened year-on-year by roughly 40 basis compared to 2019 and has outperformed peers by around 30 basis points, on average, across our main refinancing currencies, euros and US dollars. This positive development



and the flexibility of our balance sheet allowed us to pre-fund around € 5.0 billion of our 2021 requirements.

In addition, we saw positive actions from ratings agencies. This includes the recent outlook revisions from Fitch and Moody's to positive and stable, respectively. Overall, these developments support our commitment to deliver sustainable profitability, while we continue to invest in our technology, including our modelling, our infrastructure and our controls.

Slide 12 shows a summary of the net balance sheet which excludes pending netting agreements, cash collateral, as well as pending settlements. Liquidity reserves continue to account for about a quarter of the net balance sheet.

Our loan-to-deposit ratio, at 76%, provides significant room to prudently grow loan balances in coming periods and our funding profile remains well-diversified. The most stable funding sources were 82% of our net balance sheet or 87% including TLTRO. Low cost deposits are our main funding source, contributing almost 60%, and we have steadily reduced our reliance on unsecured wholesale funding, which is now less than 1% of net liabilities.

Moving to liquidity on slide 13, you can see that we made progress in managing down excess liquidity over the quarter. This is primarily driven by a reduction in Corporate Bank deposits, reflecting our targeted initiatives to proactively manage liabilities, partially offset by a modest increase in Private Bank deposits.

Loans remained flat in the quarter but, excluding FX effects, we saw ongoing loan growth, primarily in the Private Bank. Overall, we ended the year with liquidity reserves of € 243 billion and a liquidity coverage ratio of 145%. On a year-on-year basis, liquidity reserves increased € 21 billion, predominantly driven by model enhancements and low-cost TLTRO funding, which we will discuss on the next slide.

As we execute on our transformation, continued improvements to our technology and models can drive changes to our liquidity metrics. In 2020, those changes resulted in increases in liquidity with no incremental associated costs. Model enhancements, of course, can also reduce liquidity, and our liquidity levels allow us to navigate comfortably any external or internal changes. Over time, we intend to prudently manage our liquidity towards targeted levels.

Slide 14 provides further context of the lower cost and the improved quality of our funding sources. Funding costs are, and will remain, attractive for longer, following the ECB's updates



TLTRO-III terms. In 2020, we accrued at a funding rate in line with the ECB's deposit rate facility, having achieved sufficient certainty of meeting the growth required in the March 2019 to March 2021 observation window.

As we accrued in the third quarter at a more conservative rate, accounting for the uncertainty of fully achieving the loan growth requirement, we have reflected an additional € 45 million in revenues in the fourth quarter related to meeting this requirement. Subject to our achievement of the ECB's additional loan growth target, we would expect a further 50 basis points reduction in the cost of the facility for the period from June 20-21. This would result in additional revenues of around € 120 million in the first quarter, reflecting the catch-up of our conservative accounting in 2020.

In addition, we continued making progress improving the composition of our deposit base. We actively worked to reduce unsecured wholesale funding and non-operating Corporate Bank deposits while growing more stable retail deposits. All of these initiatives have resulted in continuing lower cost of funding.

Turning to capital on slide 15. Our CET1 ratio was 13.6% at the end of 2020, above the guidance of 13% that we provided at the investor deep dive. Approximately 20 basis points came from lower risk-weighted assets, notably faster than anticipated reductions in the Capital Release Unit and slightly lower deployment in the Core Bank.

A further 20 basis points of the outperformance came from a series of numerator benefits, including higher than expected net income and higher than expected benefits from regulatory changes relating to software, intangibles and other items.

The balance of 20 basis points came from delays in regulatory inflation, principally the targeted review of internal models, which we expected to conclude in the fourth quarter. € 4 billion of RWA inflation related to TRIM is now expected to occur in the first quarter of 2021, which increases our full year regulatory inflation assumption to approximately €20 billion.

Nearly, all of this RWA inflation is expect to occur in the first half of 2021, equivalent to approximately 80 basis point of CET1 capital. This takes our pro forma CET1 ratio to approximately 12.8%. With this inflation behind us in the first half of the year, we expect to see much more moderate impact from regulatory items in the second half of '21 and for the full year 2022.

As shown on slide 16, we ended 2020 with a 13.6% CET1 ratio, 316 basis points buffer over the CET1 requirement, which is an



increase of 31 basis points versus September. The distance to the total capital requirement is up 17 basis points on a reported basis and up 48 basis points on a pro forma basis, including our January 2021 Tier 2 issuance.

Post our successful Tier 2 issuance, we now have 308 basis points or € 10 billion of capital headroom over the total capital requirement. This puts us in a comfortable starting point to absorb the upcoming RWA inflation that we discussed.

Moving to slide 17, our leverage ratio improved by 24 basis points to 4.7%, reflecting the positive regulatory-driven and other capital effects I described before. Our pro forma leverage ratio, including ECB balances, was 4.3%. This puts us well on track to meet our leverage ratio target of 4.5% by year-end 2022, including a further ten basis points from finalising the transfer of our Prime Finance business later this year.

We continue to operate with a significant loss absorbing capacity well-above our requirements, as shown on slide 18. At the end of the fourth quarter, our loss-absorbing capacity was € 21 billion above the minimum requirement for eligible liabilities or MREL, our most binding constraint.

In preparation for the long-known regulatory changes applicable in 2021, we have held material buffers for some time now. These changes include a reduction of our MREL capacity as a result of Brexit, a higher MREL requirement expected to be set by the SRB in the first half of 2021, and the impact from regulatory RWA inflation on MREL.

Our MREL headroom will thus normalise to a more reasonable of approximately € 5.0 billion in the first half of 2021. This is still well-above our regulatory requirements, which we have always fully met, without needing a transition period.

Moving now to our issuance plan on slide 19. In 2020 we issued € 18.5 billion, compared to our revised plan of € 10-15 billion. This includes roughly € 5.0 billion of senior non-preferred issuance in the fourth quarter of 2020 to partially pre-fund our plans for this, given strong market conditions we saw then.

We also raised a further € 3.5 billion of funding from the ECB's TLTRO-III programme in December, offset by the repayment of €3.0 billion of legacy central bank funding. We expect to use these funds to optimise the repayment schedule of our central bank funding while lowering the associated costs.

For 2021, we plan to issue between € 15 to 20 billion in aggregate compared to maturities of € 22 billion, and we have already issued roughly € 1.5 billion this year. Roughly, half of



this requirement is comprised of capital instruments and senior non-preferred to manage our MDA buffers, as well as MREL and rating agency requirements.

Our well-balanced maturity profile for 2022 and beyond means we expect to be able to continue to reduce our capital markets footprint in future years. This plan assumes that Moody's request for comment on the Loss Given Failure methodology will be implemented as currently drafted.

Before we sum up, let me also say a few words on infection risk. Infection risk refers to the risk that legacy capital instruments infect new style capital instruments due to various criteria, notably ranking and coupon payment conditions. Such infection can risk new style capital instruments being de-recognised. We do not see this an issue for our four legacy capital instruments, as Germany has implemented BRRD II in December of last year, which legally changes the ranking of these issues to be senior to new style capital.

In addition, our instruments only contain so-called dividend pushers which are allowed in this regard. As such, infection risk is not a factor for us when deciding on whether to call these instruments. As in the past, therefore, our call decisions will be rather taken based on economic factors.

In conclusion, on slide 20, our balance sheet remains low risk and well-funded by highly stable sources. Our solid capital ratio allows us to navigate through the operating environment which may remain volatile. The rating agencies have begun to acknowledge our transformation progress, evidenced by outlook provisions from both Moody's and Fitch. We will continue to constructively engage with the ratings agencies throughout 2021.

Our plans assume provisions for credit losses will decline slightly this year compared to 2020 but will remain elevated compared to pre-COVID-19 periods. We expect to prudently manage down our excess liquidity towards our target levels over time but given the attractive TLTRO conditions we are under no time pressure to do so. As a result, we feel well-positioned to work towards our 8% return on tangible equity target in 2022. With that, let us move on to your questions.

Christy Hajiloizou  
(Barclays)

Hello, everyone. Thanks again for the call. I have three, please. The first is on the MREL disclosure. Obviously, you're forecasting, given the increase in MREL requirements and the reduction in the surplus, that your surplus will now be around € 5 billion. It seems a little bit thin in terms of cushion. Why should we be comfortable with this given the RWA volatility you might experience? Then, maybe, just as a follow-up, what would





actually happen if you did go below the requirement in 2021, if anything?

The second question is on the Moody's Loss Given Failure methodology revisions, which obviously are relevant for your issuance plans. I'm interested, actually, if you could just remind me, first of all, what those revisions were and how they would have affected you? Then, perhaps as a follow-up, what would actually happen if the Loss Given Failure methodology isn't implemented as drafted, if there is any change to your issuance needs there?

Then, finally, just a quick one on the provisions taken in 2020. I note that the biggest year-on-year increase came in the Investment Bank. I was just curious, actually, if you could comment in just a little bit more detail what sort of sub-segments within the Investment Bank those provisions related to. Thank you.

Dixit Joshi

Christy, hi. This is Dixit, here. I'll take the first two and James, the third. On the MREL front, we are comfortable with this low cushion. We've been flagging for some time that these are known regulatory items and known downside, and that was fully baked into our issuance plan as well as our balance sheet glide path for this year and subsequently.

As an example, many of the issuances we have coming up for maturity this year are already deducted from the MREL calculation, i.e. appropriately conservative as should be the case. One is that this is part of the planning and the timelines were well-known throughout.

When thinking about the surplus, it is important to remember that we were one of the first banks in Europe to receive a fully-loaded binding MREL requirement which we've exceeded from the time that we received the binding requirement.

One of the questions that you had was also what happens should one actually go through the threshold or through the limit. That would require the SRB to assess any institution-specific context within an appropriate period of time to be able to address the issue. So, to that extent, we have the capital markets that we would seek to tap, so we're comfortable with the € 5 billion given we've absorbed much of the downside that we had been expecting now for some time.

On Moody's LGF, the methodology changes were flagged through the request for comment last March. The comment period had complete around May of last year before Moody's had delayed the implementation. Moody's announced in December that the request for comment will be re-issued in the second quarter and it's our expectation that we will see an



implementation of the new methodology sometime thereafter.

We would hope that by the beginning of the third quarter, that we would have sufficient clarity around Moody's LGF. I must say, though, as you know, we've managed through a series of criteria, including ratings agency criteria, through the last couple of years and protecting our rating has been important to us and reflected in our issuance plan, and will remain important for us going forward.

James von Moltke

On the provisions for loan losses in the Investment Bank. As you'd imagine, they arose from what we've referred to as the focus industries, commercial real estate, aviation, leisure, oil and gas, as examples. And, while those sectors are not out of the woods, we certainly see, and as we referred to yesterday, an outlook that is cautiously optimistic on those sectors, but they have represented the lion's share of the IB provisions in the year.

I think the other thing that one needs to remember, also, in IB, so why would it happen in the early stage of a credit cycle in the IB? One of the reasons for that is structured credit in our world. Our portfolio is probably a little bit more responsive in that sense but, interestingly, I think the loss history in structured credit gives us some confidence of also looking to the future around the portfolio and, if you like, the early part in the cycle at which those CLPs are recognised in the investment bank.

Christy Hajiloizou

Thank you.

Corrine Cunningham  
(Autonomous)

Good afternoon. Thanks very much for the call. A quick follow-up on the legacy and then maybe some questions about TLTRO. On the legacy bonds, it sounds like you're saying that they would qualify as MREL, even if they don't qualify as capital. Have I understood that correctly, because they're legacy, they are issued by special purpose vehicles which would mean that they are disqualified from capital purposes? So, I just wanted to fully understand the implications of that.

Then, on TLTRO, you've gone from 34.0 to 37.5 and you suggest that this could go higher still, so just if you've got an idea of the scale, on how high that could go. Then, also, I wasn't fully following what you were saying in terms of what's already booked, what's still to come, and the periods that relates to. So, if you could give us, perhaps, maybe even just repeat, but a bit of an explanation as to what's been booked when on TLTRO benefits. Thank you.

Dixit Joshi

Corinne, sure. I'll take those in turn. The first, on MREL, the comment was much more to give clarity given the chatter around infection risk, and we're not subject to infection risk on our stack and hence one of the factors behind also remaining



comfortable with the surplus after absorbing the regulatory downside. They would not qualify for MREL but would naturally qualify for LGF. Again, factoring in all of those considerations, we would make call decisions at the appropriate time when looking at the relative capital efficiency of those instruments.

On TLTRO, we ended that year at about a € 38 billion tap of the facility and we're likely to go up by, call it, € 3-4 billion through the course of the year, starting with the March facility that we'd be able to avail ourselves of. On the last question, if I understood it correctly, Corinne, was it around revenue recognition and catch-up?

Corinne Cunningham

Yes, it was.

Dixit Joshi

I'll try and simplify it as best as I can but given we have six quarters and we have three separate loan criteria to manage, together with accruals and catch-ups, it's a rather complicated picture and so I'll try to simplify it as best as I can and then, if not, we can take that offline as well.

The first is that in the third quarter we had accrued for TLTRO at a negative 17 basis points, which is a three-year average of 50 basis points in the first year, zero in the second and then zero in the third. In the fourth quarter, we did reach accounting certainty that we would meet the loan growth target, and this was the loan growth target between March 19-21, and this allowed us to accrue for TLTRO as a minus 50 basis points instrument for the fourth quarter but also, then, required a catch-up to 50 basis points for the third quarter. So, in total, we accrued just over 40 million in the fourth quarter for this.

For the full year 2020, we accrued in the region of approximately € 85 million across all TLTRO instruments including TLTRO-II from the first half of the year. Now, in 2021, our effective rate will vary in each quarter based on similar criteria. In the first quarter, as we reach accounting certainty on the second growth target up until March 21, this will allow us to accrue 100 basis points for the first quarter and a catch-up for the second half of last year, as well. And so, all in, we expect to book around € 125 million in the first quarter.

In the second quarter, we'll accrue at 100 basis points, as a continuing benefit for meeting that first or second growth condition. Then, in the third quarter, we revert back to 50 basis points because we will not, by then, have accounting certainty as to the most recent growth condition, which gets measured at the end of December '21.

Then, finally, in the fourth quarter, as we achieve that certainty,



we will then accrue 100 basis points for that quarter but also as a catch-up for the third quarter. I hope that offers some clarity around TLTRO and revenue recognition but, if not, happy to take that offline.

Corrine Cunningham

That's much clearer. It sounds like there's a lot of juggling going on but, yes, I do understand it now. Thank you.

Lee Street  
(Citigroup)

Hello. Good afternoon. Thanks for taking my questions. I've got two, please. Just on the 5 billion of capital distribution to shareholders, what is the timing of that? Is that the start of '22 or the end of '22? I'm just thinking around it. Obviously, it's about 150 basis points of capital, as things stand at the moment. I'm just trying to work out, should I be thinking that the bank is going to be running around 14% Common Equity Tier 1 at the start of '22, particularly your 12.5% minimum? Just any thoughts around that just would be helpful.

Then, secondly, obviously, there is a big focus on the 8% return on tangible equity target. Now, my working assumption is that probably relatively limited execution on the costs, given that swing is within your control. So, am I right in thinking the risks of you not hitting that target, to the extent they exist, it's all on the revenues or are there any other areas or reasons that you might call out? They would be my two questions. Thank you.

James von Moltke

Sure. Thanks, Lee. It's James. So, quickly, on dividends, we would essentially build into that full payout over time and we're obviously mindful of the need to adhere to our CET1 ratio targets and maintain a small buffer above them as being sort of the constraint on the dividend or other distribution sort of pattern. But, we do see a very clear path to the 5.0 billion return over several years subject, of course, to profitability, regulatory approval, and all of the things that go into that.

On the 8% ROTE, it's the whole package. Obviously, we work very hard on everything within our control, costs notably. On the risk side, obviously, we're continuing the risk discipline, underwriting our credit book to manage to a CLP outcome that would be in line with or perhaps even better than we laid out to investors in December.

And, as you say, revenues is the hardest one to predict because it depends on the market environment and a number of other considerations but, again, in December, and yesterday we discussed it as well, we feel that executing on the strategies, the businesses have laid out and the wind down of the CRU puts us on a good path towards the revenue number that feeds into our 8% model.

Lee Street

Okay. That makes sense. And, just a quick follow-up on the first one. I know your current target is at 12.5%. Could you envisage



a scenario in the next two years where you might be lowering that 12.5% target or do you think you'll stick with that for some time?

James von Moltke

I think it's extremely unlikely that we would think differently about that threshold over that timeframe.

Robert Smalley  
(UBS)

Hi. Thanks very much and thanks for doing the call. A couple of topics, first, on the loan loss provision, second, on issuance. First, on the loan loss provision. We had a CFO in the States last week say something along the lines of the impact of ongoing stimulus could not only end up delaying peak losses but deflating peak losses. Is this something that you would ascribe to and, if so, how are you looking at that in terms of your modelling? How does it work through to the experience with Stage 1, Stage 2 and Stage 3, particularly given the release that we've seen in Stage 1?

On issuance, just a couple of follow-ups. The 2021 plan, you've already done Tier 2. Is your Pillar 2 optimised now for Tier 2 and you'd more lean to AT1 for that issuance? And, in terms of timing, given the RWA inflation that you talked about, as well as potential increases in interest rates, do you want to pull some of your funding forward into the first half of the year given what's going on with the balance sheet and rates? Thank you.

James von Moltke

Robert, it's James. I'll take the first. I would agree with that statement. I think that both the fiscal and monetary support, in my opinion will, for sure, have lessened the impact of this credit cycle in terms of delinquencies, and, ultimately, the charges the banks take in a number of ways.

One is it has supported demand in the economy. The second, it has provided liquidity and also access to the capital markets for corporates. It has supported the household sector as well and, I think, just kept the economy moving over the bridge that was the very sharp but also relatively short downturn. So, a very unusual pattern relative to other cycles.

How it feeds into the staging? The staging is interesting. We are looking at the forbearance impacts and other flags that have arisen or ratings migration that hasn't taken place because of that support. And I would say, Robert, it does not have that big an impact, a surprisingly small impact on our IFRS 9 provisioning.

Dixit Joshi

Robert, I'll take the second two questions. On Tier 2 and AT1, as you note, we've outlined 2-3 billion of potential issuance this year, that already includes \$ 1.25 billion of the Tier 2 issue that we did in January. We retained flexibility through the course of the year. We'll be looking at our legacy roll-off exposures, looking at ensuring that we maintain our buffers above



minimum regulatory requirements and also ensure that we continue to make progress towards our leverage ratio target.

So, we have some flexibility but we wanted to give you transparency that, as always, we have a placeholder for that issuance and we've already commenced on some of that issuance already.

In terms of pulling the issuance into H1, I think, this year, we've kind of already pulled issuance into last year, if I may, and with prefunding of around 5 billion in the fourth quarter of last year. We tend to flex the issuance plan and timing around market conditions, so left to be seen what the rest of the year looks like. I would say, on balance, generally, yes, we do tend to do more towards the earlier parts of the year but I would say, again, that's dependent on market conditions.

Robert Smalley

Thanks very much and thanks for doing the call.

James von Moltke

As we mentioned yesterday, James Rivett will be moving to another leadership role within Finance, and he'll be replaced or succeeded as Head of IR by Ioana Patrinoche, who's with us on the call today. Ioana, as you know, is an 11-year veteran of our Debt Capital Markets business and I hope you'll all see our continued commitment to the credit investor dialogue in the selection of Ioana for this role.

I hope you'll also all join us in congratulating James and thanking him for the hard work he's done for DB over the last several years as Head of our IR team and, before that, as Head of Fixed Income Investor Relations. As you all know, he has an impressive set of achievements in his various roles and has built up a large following out there. So, please reach out to him and for those of you who don't know Ioana, please get to know her. Over to you, Philip.

Philip Teuchner

Thank you. And, just to finish up, thank you all for joining us today. You know where the IR team is, if you have further questions, and we look forward to talking to you soon again. Goodbye.

### ***Disclaimer***

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