



# Investor Deep Dive

James von Moltke  
Chief Financial Officer

9 December 2020

Deutsche Bank

# Summary



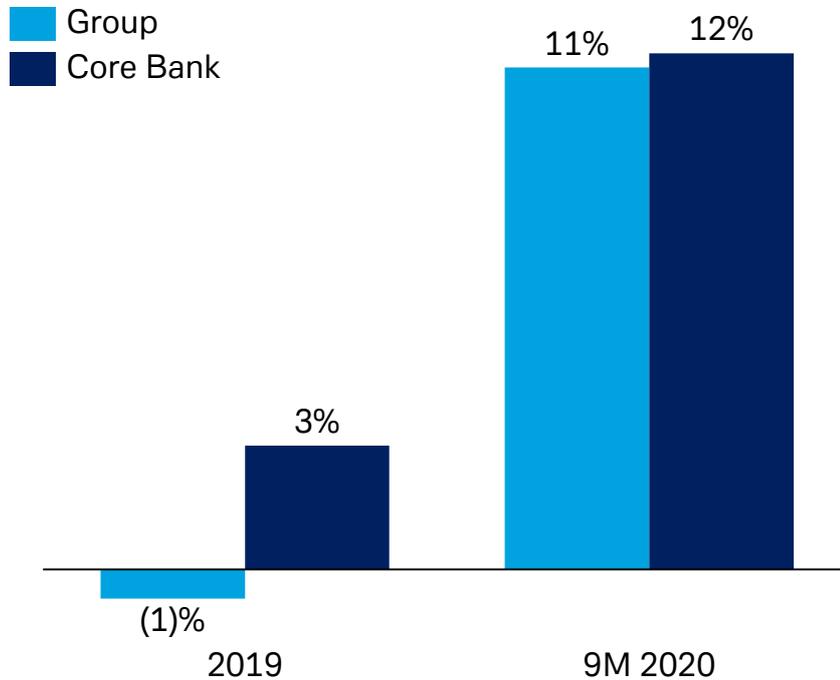
- On track to achieve 2020 financial and transformation milestones
- Further improvements in core franchises largely offset additional headwinds
- Capital Release Unit wind-down continues – focus on reducing assets and costs
- Continued disciplined capital allocation
- Working towards 8% ROTE target in 2022

# Significant improvement in profitability

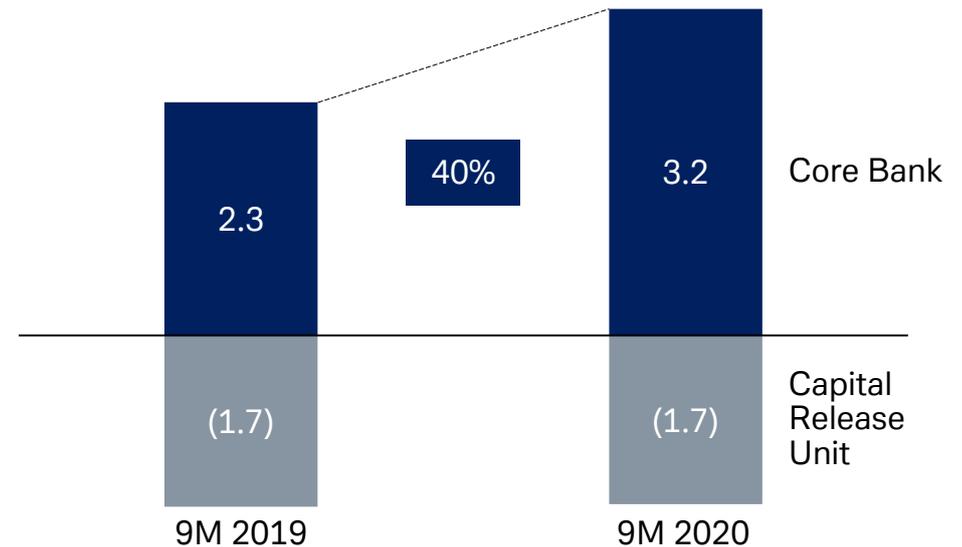
In € bn, unless stated otherwise



Operating leverage<sup>(1)</sup>



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



Note: Throughout this presentation totals may not sum due to rounding differences, specific items defined on slide 28

(1) Year-on-year change in % of revenues ex specific items less year-on-year change in % of adjusted costs ex transformation charges. Detailed on slide 30

(2) Detailed on slide 29

# On track to achieve financial milestones



	9M 2020	2020 milestones
Adjusted costs <sup>(1)</sup>	€ 14.9bn	€ 19.5bn
Provision for credit losses (in bps of loans) <sup>(2)</sup>	47bps	35 – 45bps
Leverage ratio <sup>(3)</sup>	4.4%	4.5%
CET1 ratio	13.3%	At least 12.5%
Capital Release Unit RWA	€ 39bn	€ 38bn

(1) 9M 2020 noninterest expenses: € 16.2bn. Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance. Detailed on slide 28

(2) Year-to-date provision for credit losses annualized as % of loans at amortized cost (€ 433bn as of 30 September 2020)

(3) 9M 2020 leverage exposure excludes certain central bank balances following the implementation of the CRR Quick Fix

# Our path to higher returns

2022 plan

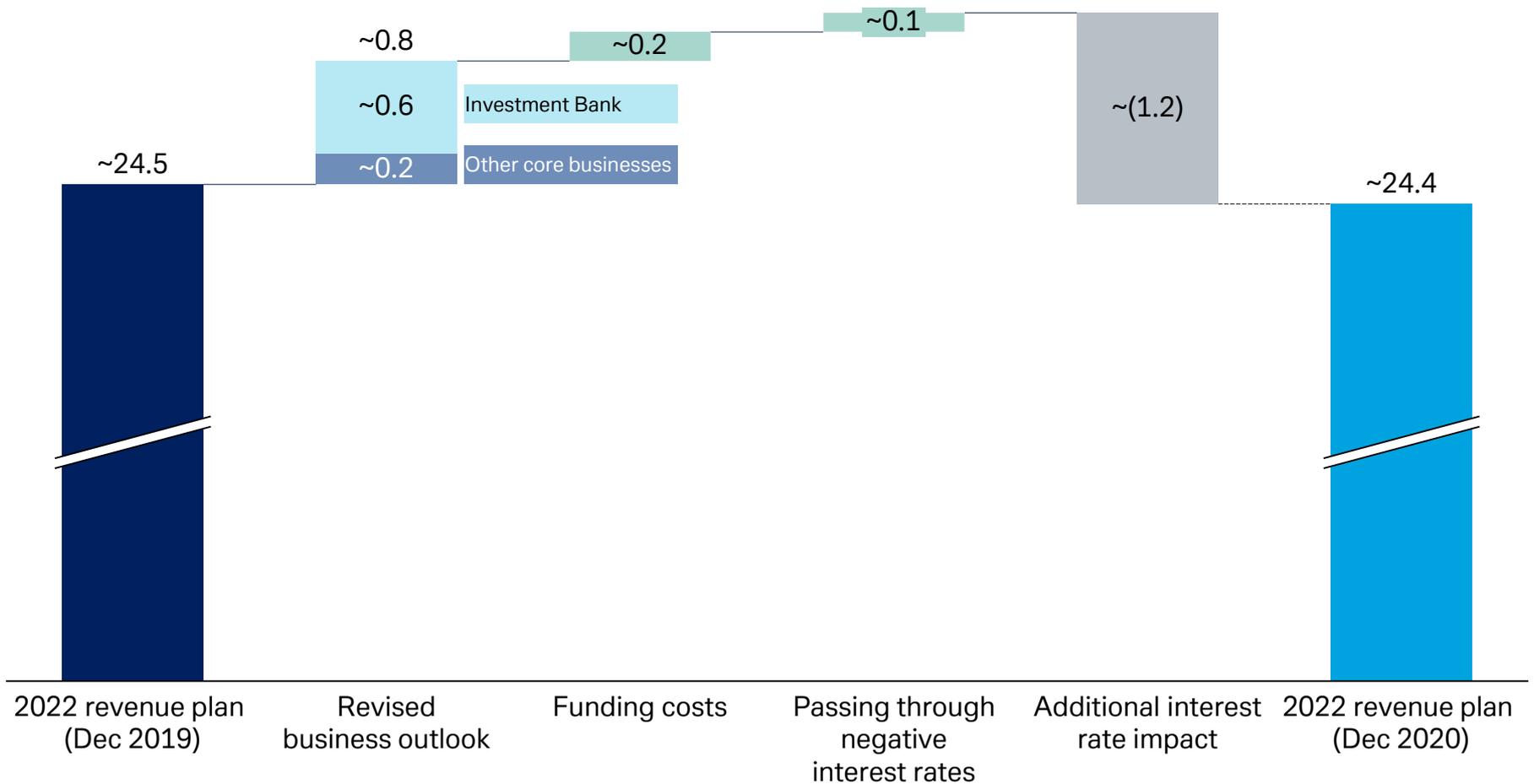


(1) Adjusted cost excluding transformation charges

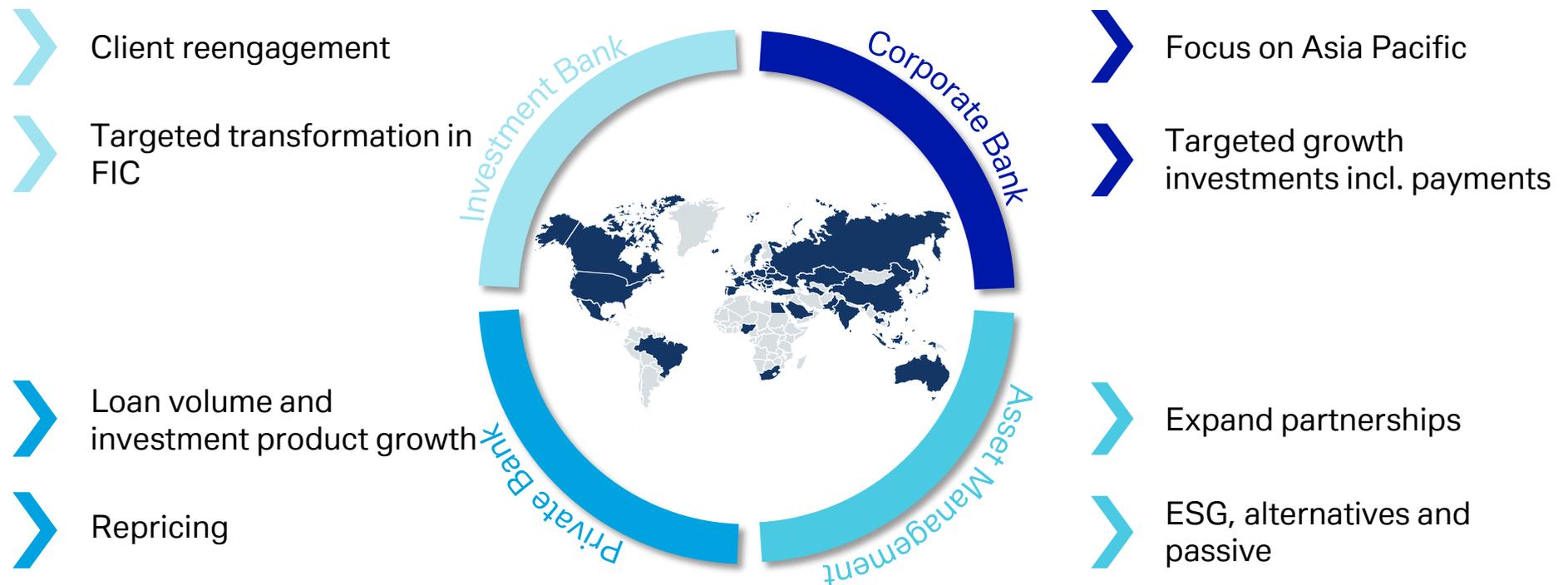
(2) Before noncontrolling interests and AT1 coupon payments

# Working to offset additional revenue headwinds

In € bn



# Businesses delivering on growth initiatives



# Updated revenue growth assumptions

Compound annual growth rate in revenues



	2018 – 2022 (Dec 2019)	2018 – LTM <sup>(2)</sup> Q3 2020	LTM <sup>(2)</sup> Q3 2020 – 2022	Updated plan 2018 – 2022
Core Bank <sup>(1)</sup>	1%	2%	0%	1%
Corporate Bank	3%	(1)%	3%	1%
Investment Bank	2%	10%	(2)%	3%
Private Bank	0%	(3)%	2%	0%
Asset Management	1%	3%	1%	2%

(1) Includes Corporate & Other not shown on this page

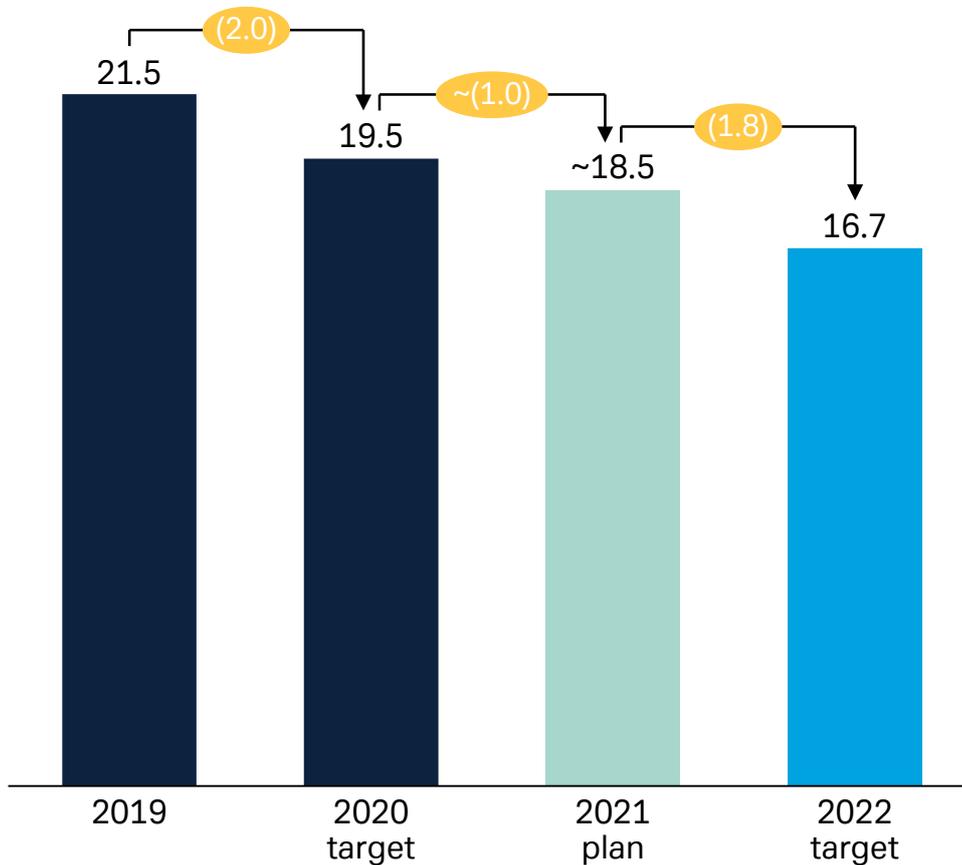
(2) Last 12 months

# Reducing our 2022 adjusted cost target

In € bn



Adjusted costs ex transformation charges<sup>(1)</sup>



➤ 2022 adjusted cost target reduced by € 0.3bn

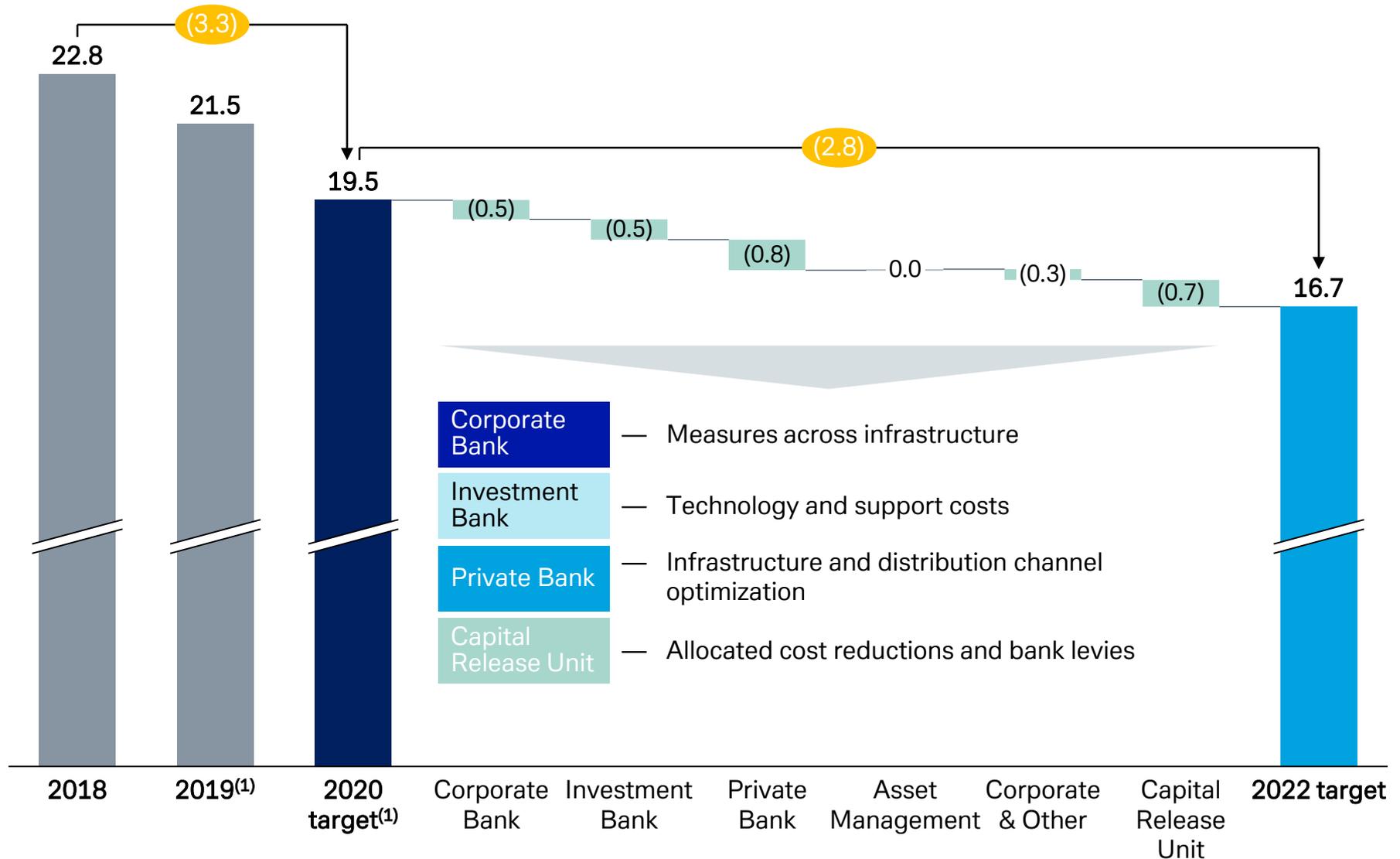
➤ ~80% of 2021 reductions already in run-rate

➤ 2021 plan includes investments in German retail IT integration

(1) Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance. Detailed on slide 28

# All businesses executing on planned cost reductions

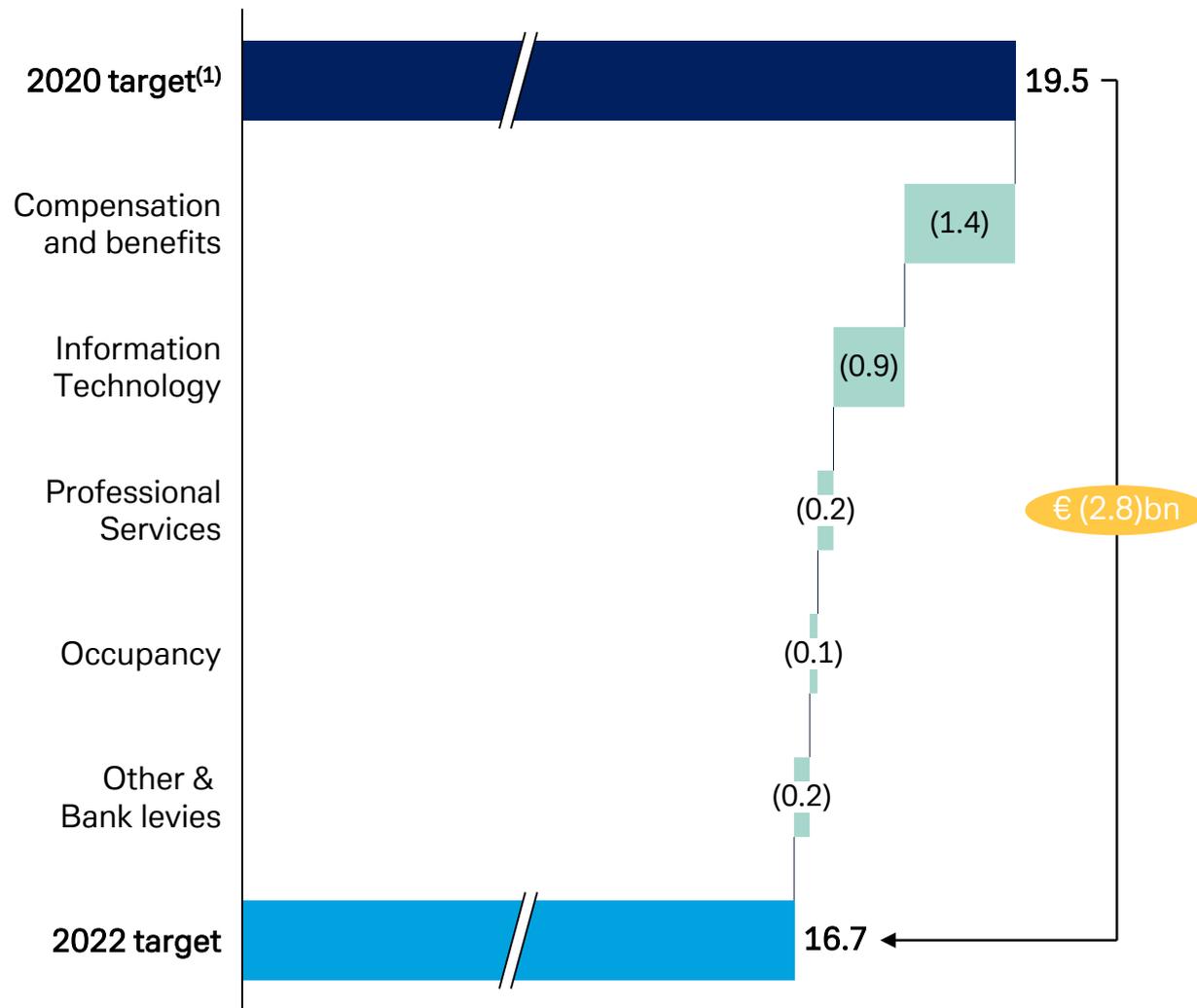
Adjusted costs excluding transformation charges, in € bn



(1) Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance. Detailed on slide 28

# Continued disciplined cost management

In € bn

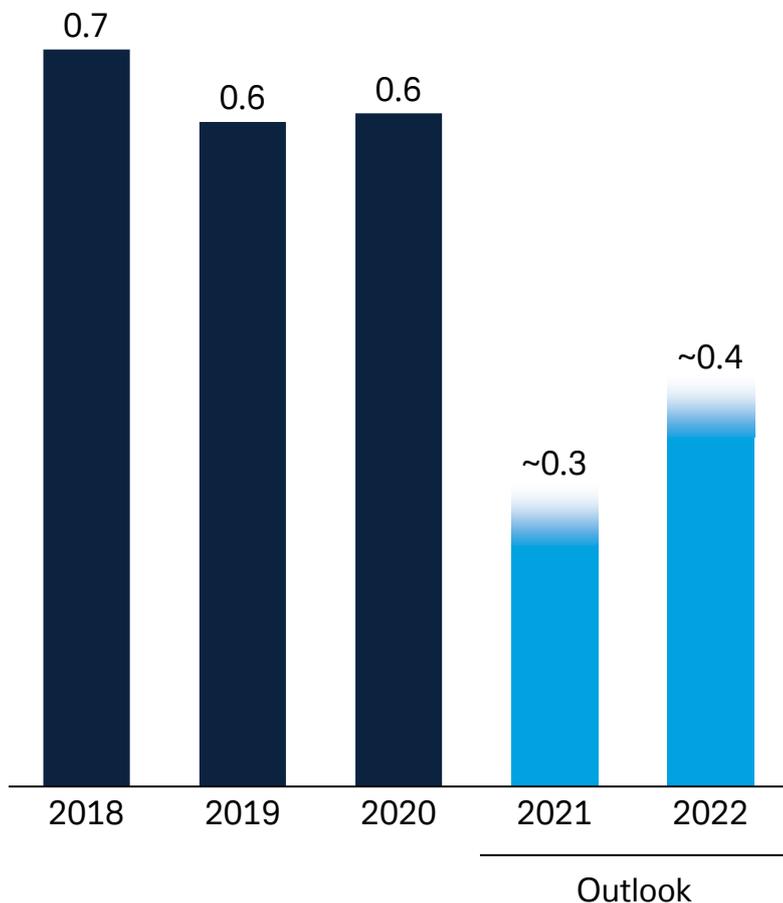


- Compensation and benefit cost reduction primarily driven by smaller workforce. Focus on preserving revenue-generating capabilities
- IT costs decline on greater efficiency and more focused investments
- Ongoing management efforts to reduce professional service fees
- Occupancy cost decline reflecting COVID-19 learnings and real estate rationalization

(1) Adjusted costs excluding transformation charges and expenses eligible for reimbursement related to Prime Finance. Detailed on slide 28

# Bank levies should decline

In € bn



2020

- Flat year-on-year despite reductions in balance sheet, reflecting changes in the Single Resolution Board's assessment basis and assumptions

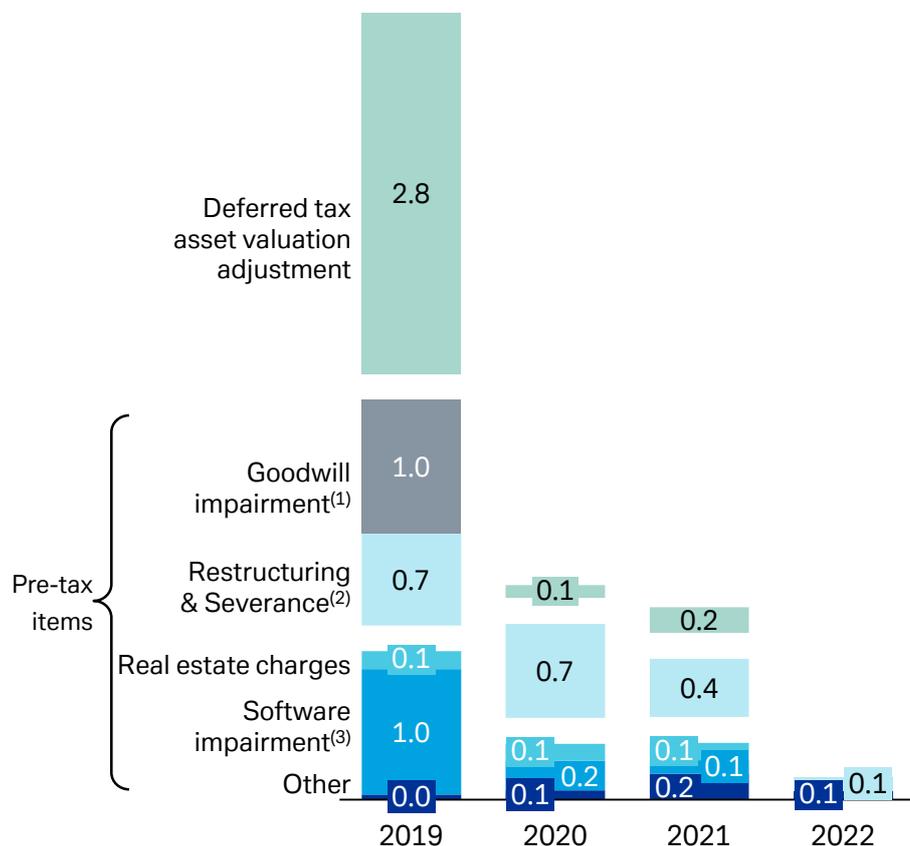
Outlook

- Assumes a Single Resolution Fund (SRF) target fund size of € 55bn<sup>(1)</sup>
- 2021 to benefit from reduction in legal entities, mainly driven by group internal mergers
- 2022 will be negatively impacted by an expected increase in the UK bank levy and by changes in the SRF basis

(1) Expected decision in March / April 2021

# Transformation-related effects

In € bn



	2019-2022 expected cumulative effects		Expected % of total incurred in 2019 – 2020
	Dec 2019 estimate	Dec 2020 estimate	
Deferred Tax Asset valuation adjustment	3.4	3.1	94%
<b>Nonoperating costs<sup>(4)</sup></b>			
Goodwill impairment	1.0	1.0	100%
Restructuring & Severance	1.8	1.9	74%
<b>Transformation charges<sup>(5)</sup></b>			
Real estate charges	0.3	0.4	67%
Software impairment/accelerated amortization	1.4	1.3	92%
Other	0.2	0.4	27%
<b>Total transformation-related effects</b>			<b>85%</b>

Note: Estimated restructuring and severance, impairments, deferred tax valuation adjustments and other transformation charges in future periods are preliminary and subject to change. Non-tax items are shown on a pre-tax basis

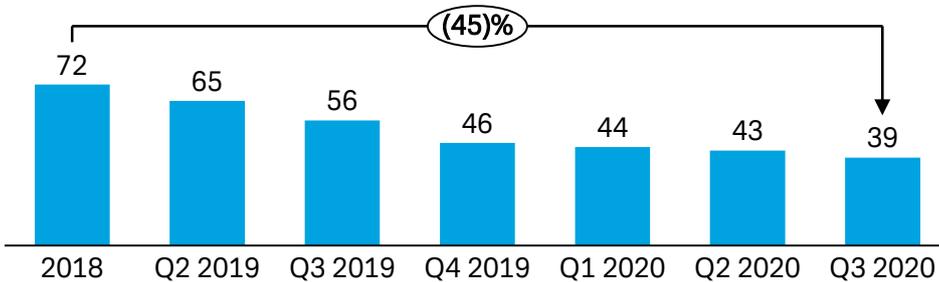
- (1) Non-tax deductible
- (2) Excludes H1 2019 Restructuring & Severance of € 0.1bn, prior to the strategic announcement on 7 July 2019
- (3) Includes accelerated software amortization
- (4) Excluded from adjusted costs
- (5) Included in adjusted costs

# Consistent, focused execution

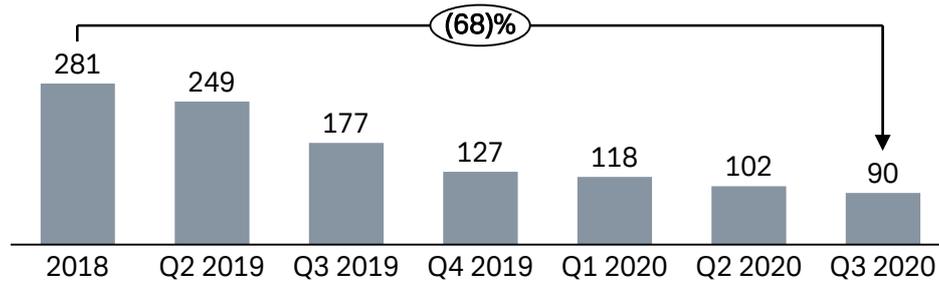
In € bn, unless stated otherwise



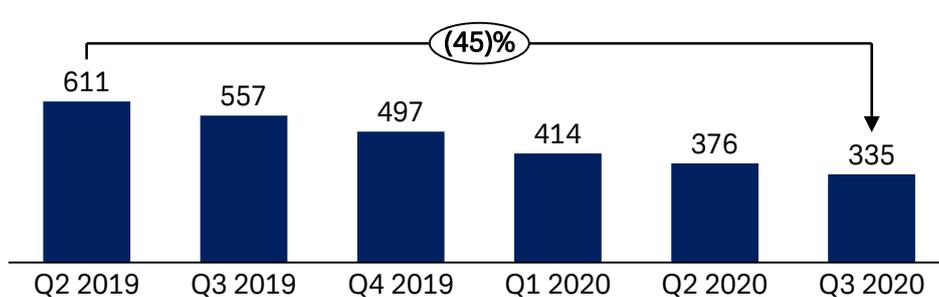
Risk weighted assets



Leverage exposure



Adjusted costs<sup>(1)</sup>, in € m



(1) Adjusted costs excluding transformation charges and bank levies

(2) Includes ~€ 350m of yearly expenses eligible for reimbursement related to Prime Finance

## Achievements since 2018

➤ **Liberating capital**  
€ 33bn RWA reduction

➤ **Reducing low-yielding assets**  
€ 191bn leverage exposure reduction

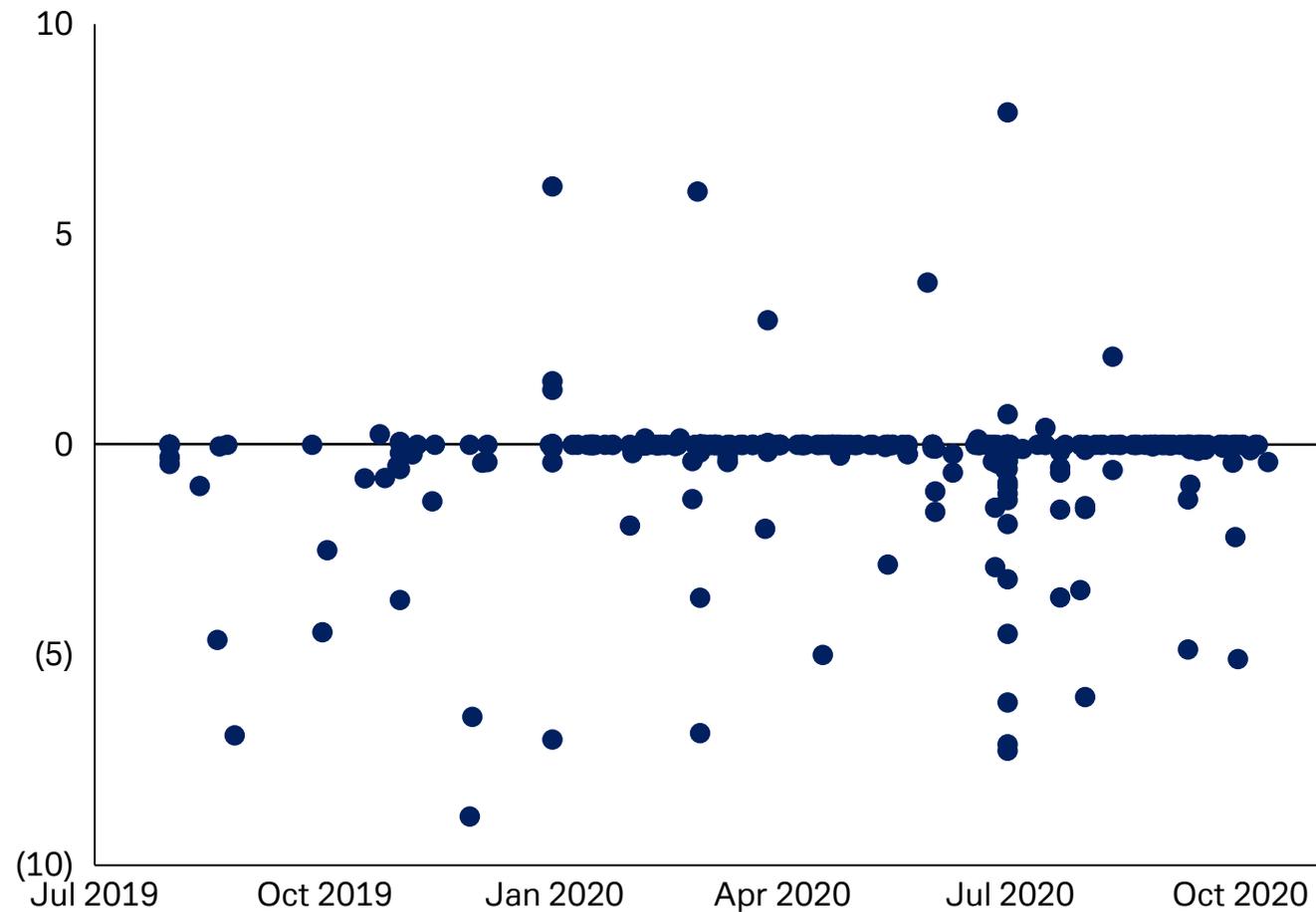
➤ **Consistent cost reduction**  
€ 1.5bn reduction in Adjusted costs excluding transformation charges<sup>(2)</sup>

# De-leveraging costs materially better than planned

In € m



## Revenue impact from de-leveraging events<sup>(1)</sup>



- Portfolio principally derivatives assets which are held at fair value
- Portfolio subject to regular independent price verification process using market price inputs
- De-leveraging impacts on over 400 events +/- € 10m
- A small number of events fall outside this range (through exit or readacross) with attractive lifetime capital outcomes
- Future path expected to follow a similar profile

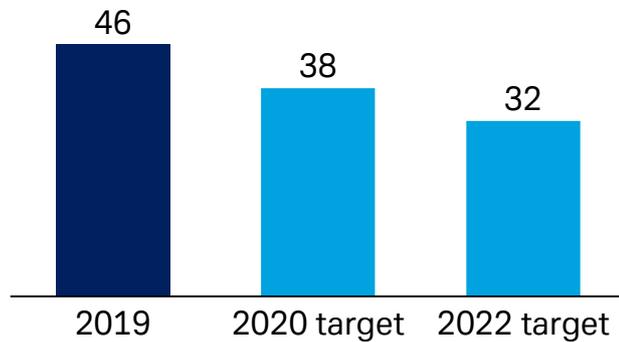
(1) Each dot represents a revenue event which may comprise the impact on a single asset or a portfolio of trades and includes a small number (<5) of fair value adjustments on unsold positions. This includes de-leveraging events across CRU's portfolio for 3Q19-3Q20, including those with zero revenue impact (e.g. trade compressions). Chart shows only the de-leveraging events where the revenue outcome was between € (10)m and € 10m (98% of total events recorded in the period)

# Continued focus on economically rational de-leveraging

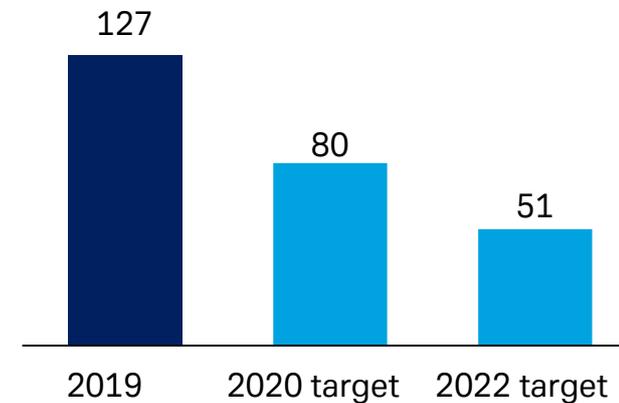


In € bn, unless stated otherwise

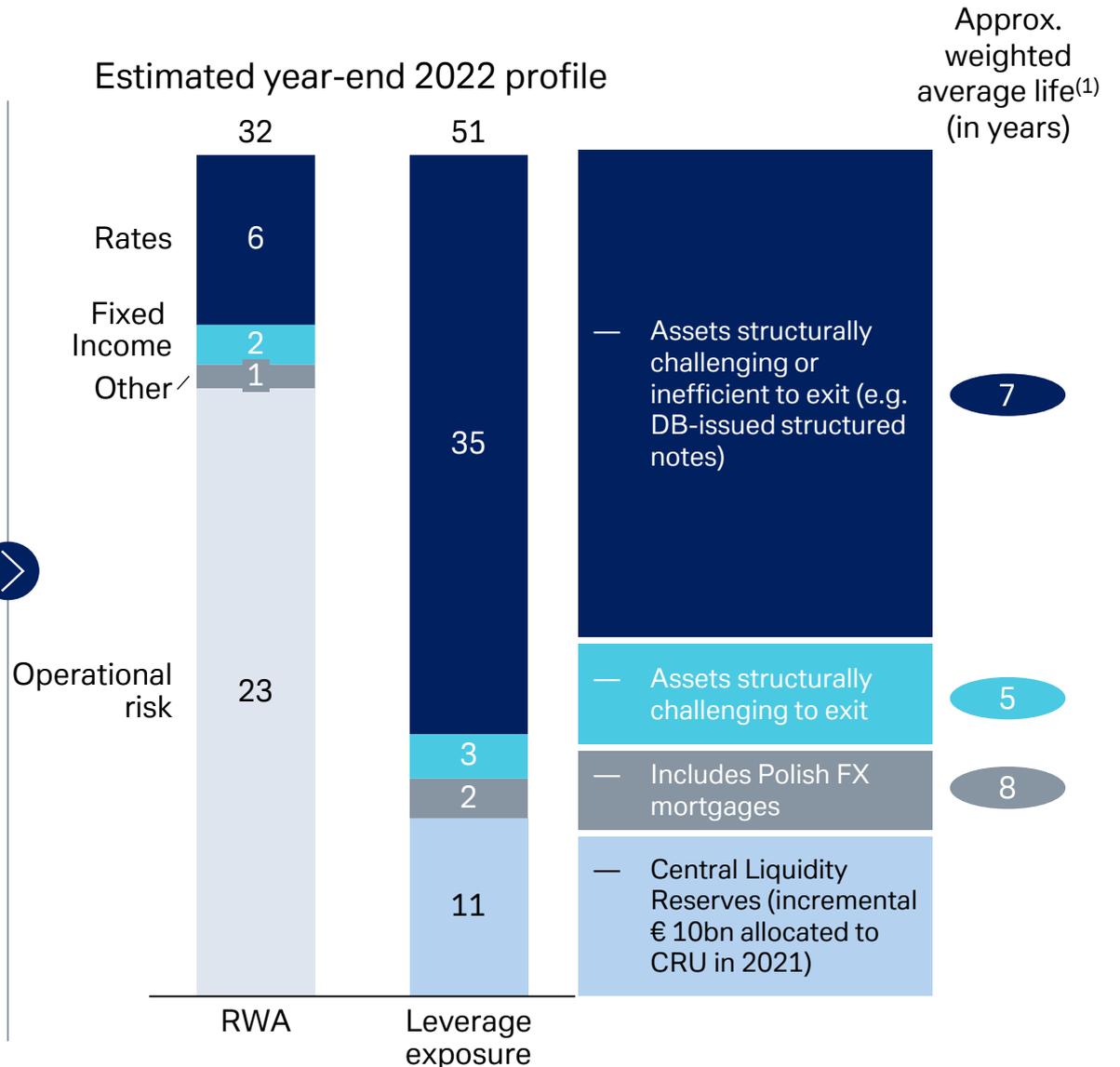
## Risk weighted assets



## Leverage exposure – CRD4, fully loaded



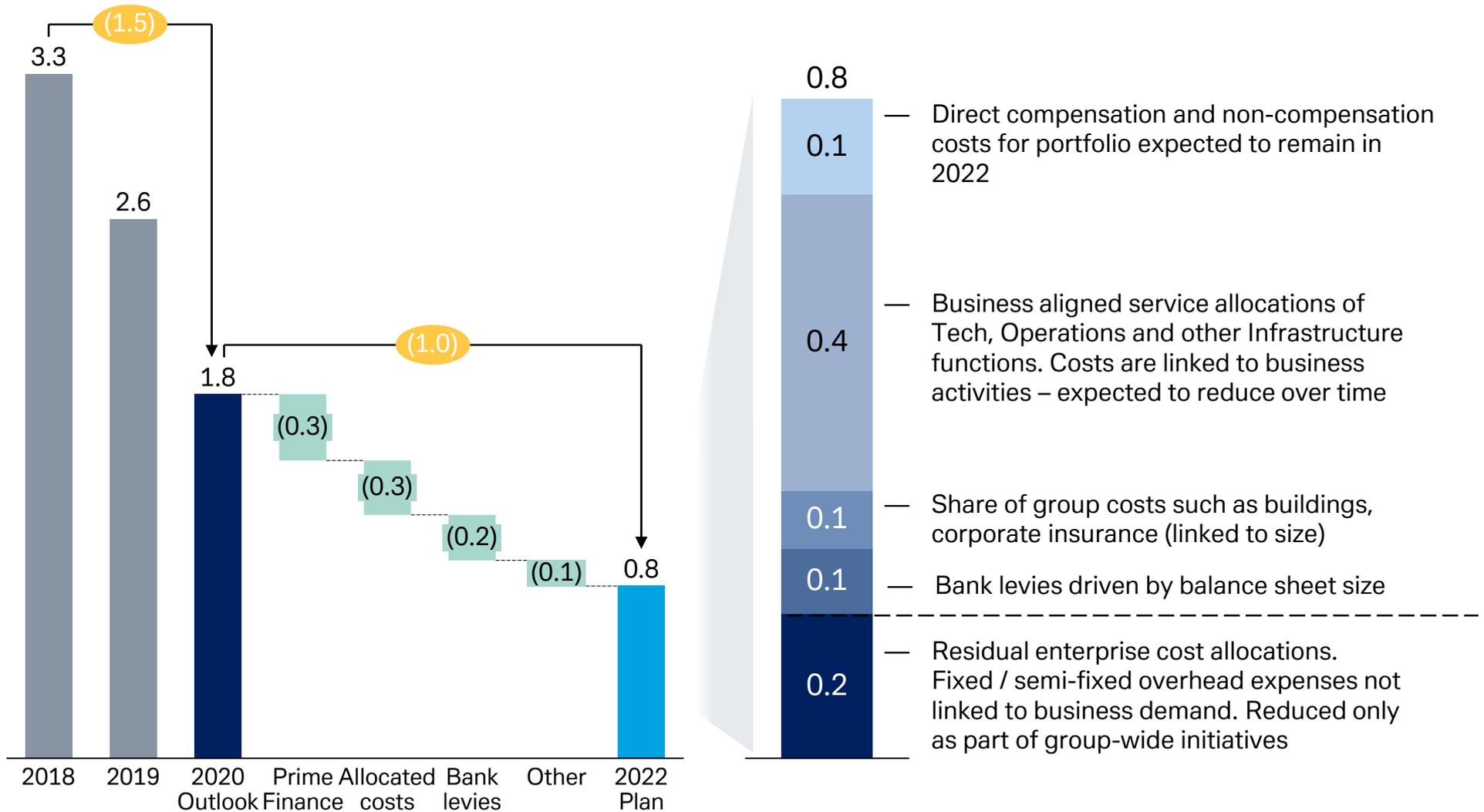
## Estimated year-end 2022 profile



(1) Weighted based on RWA and Leverage exposure

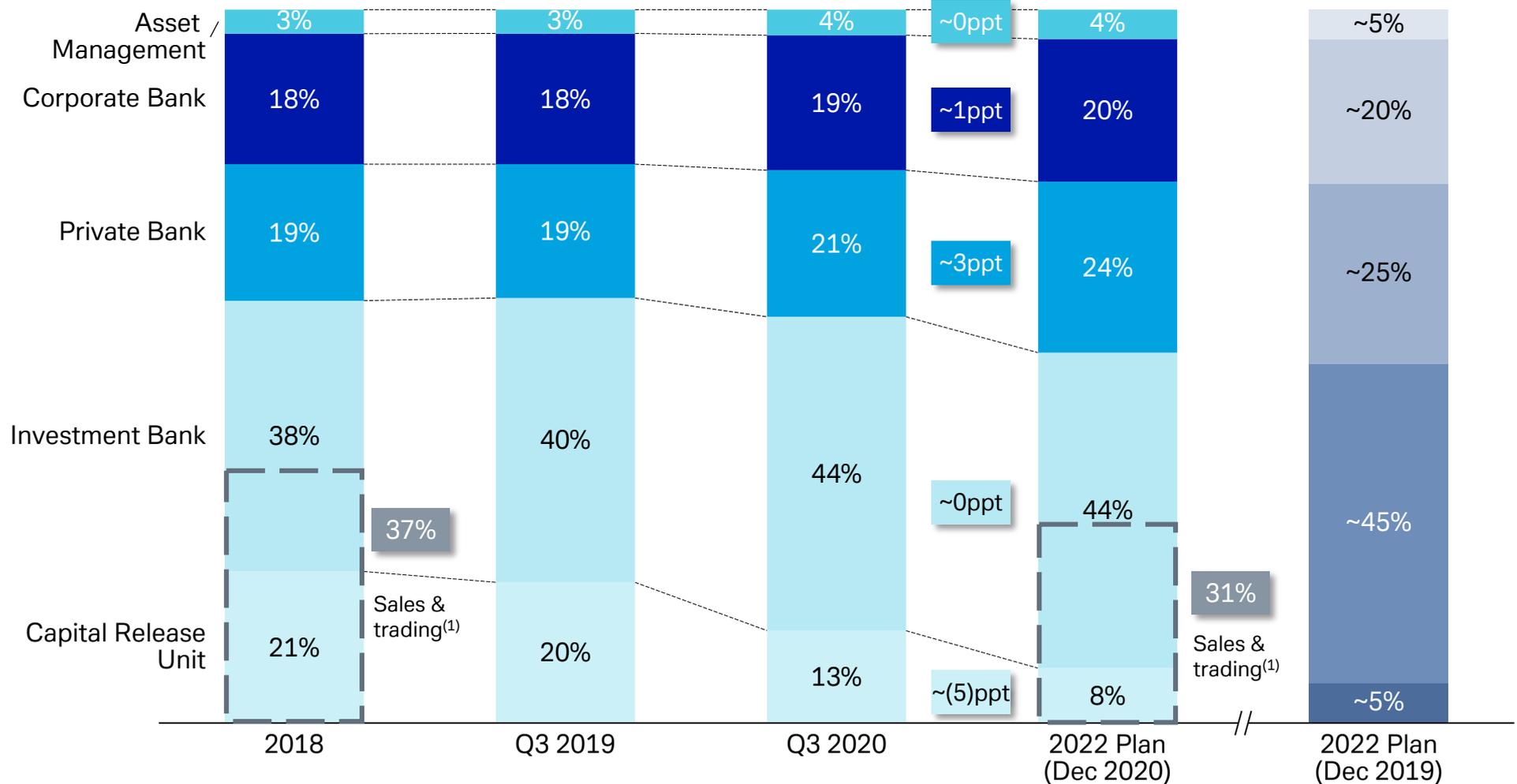
# Additional cost reductions

Adjusted costs excluding transformation charges, in € bn



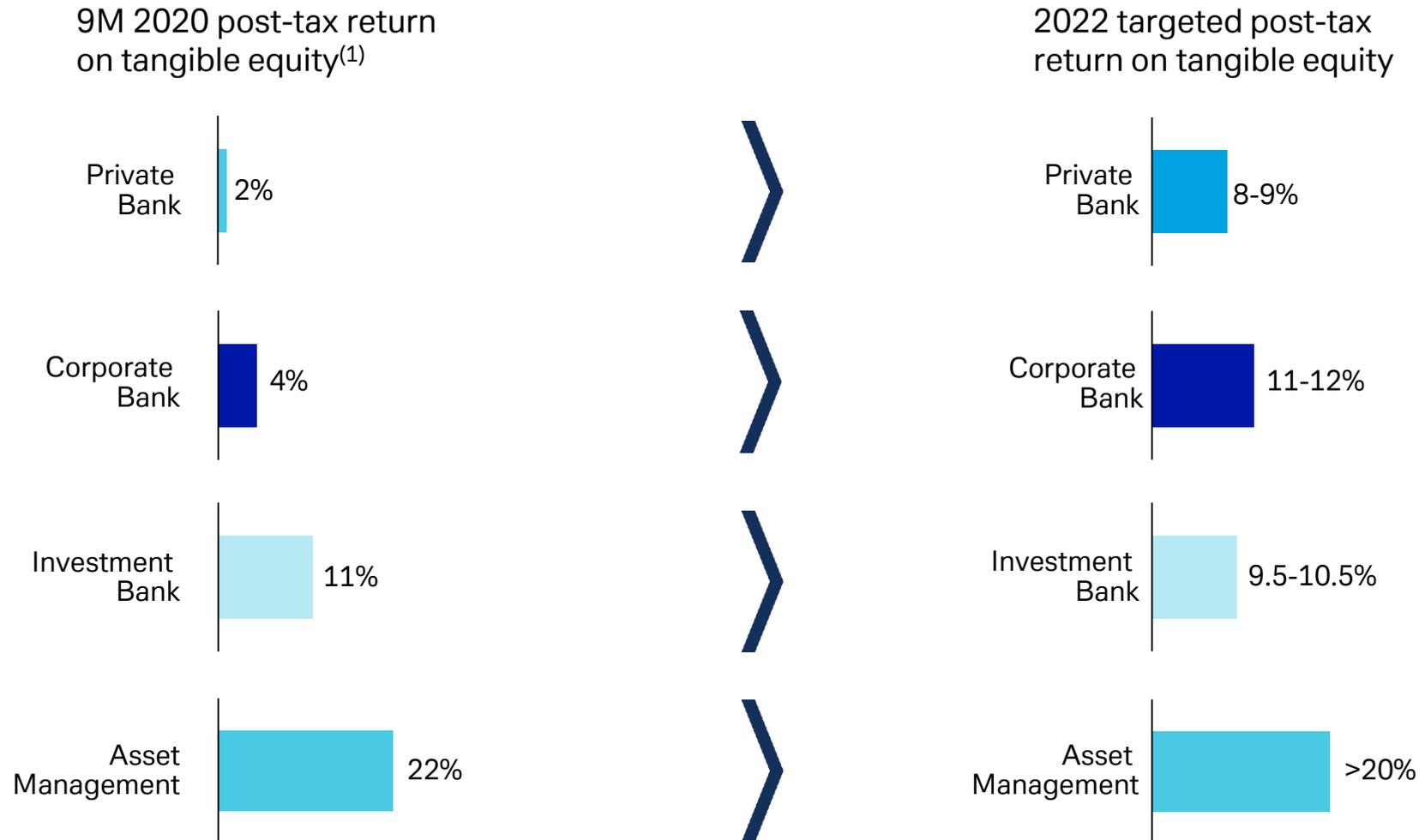
# Disciplined resource allocation

Average allocated tangible shareholders' equity



(1) Based on Q3 2020 reporting structure

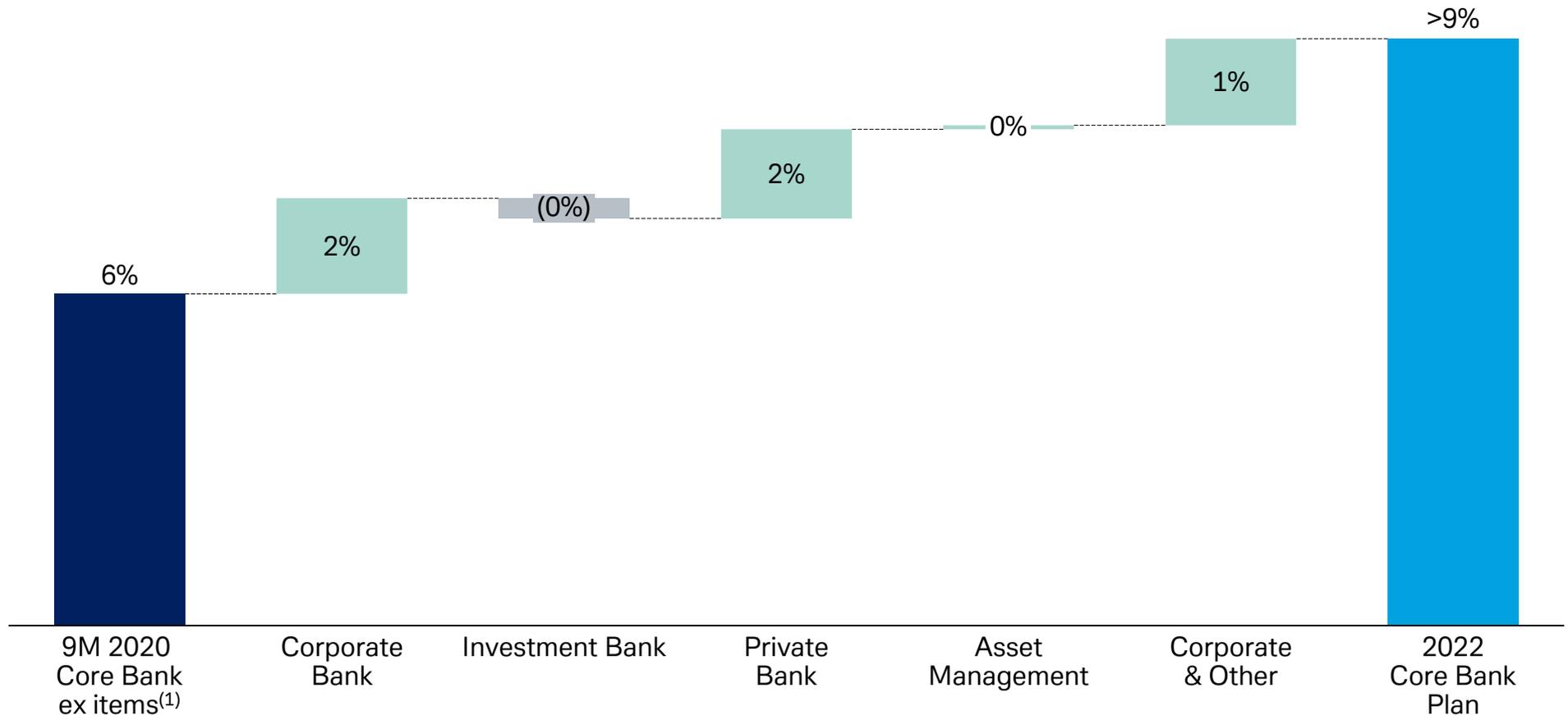
# Improving returns over time



(1) Adjusted for specific revenue items, impairments of goodwill and other intangible assets, transformation costs, restructuring and severance

# Our path to improved Core Bank returns

Return on tangible equity



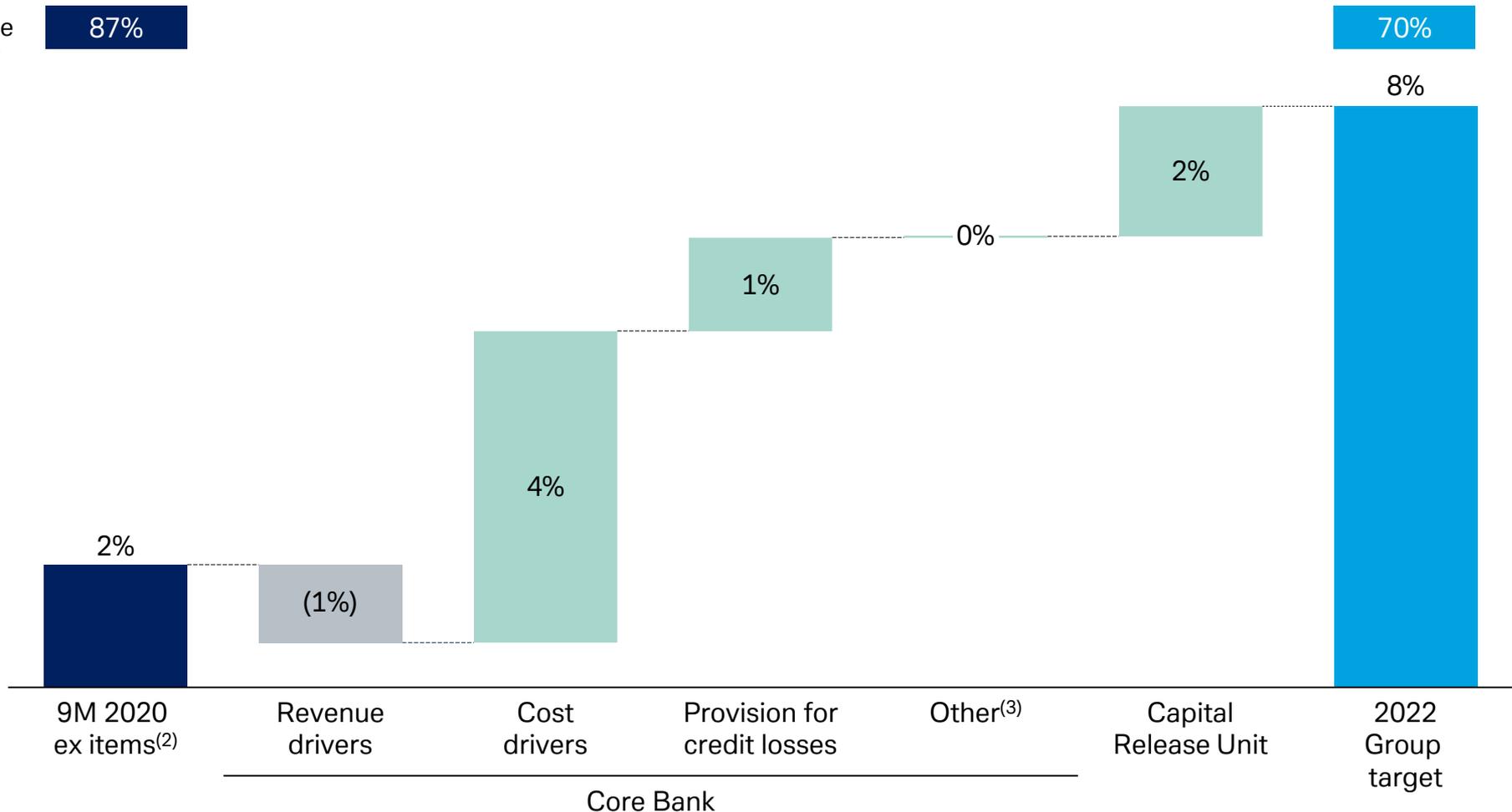
(1) Adjusted for specific revenue items, impairments of goodwill and other intangible assets, transformation costs, restructuring and severance, deferred tax asset valuation and tax effects from share based payments. 9M 2020 Core Bank reported post-tax return on tangible equity: 4.3%. Detailed on slide 31

# Our path to improved Group profitability

Return on tangible equity



Cost/  
Income  
ratio<sup>(1)</sup>



(1) Cost/income ratio defined as total noninterest expenses as a percentage of reported total net revenues

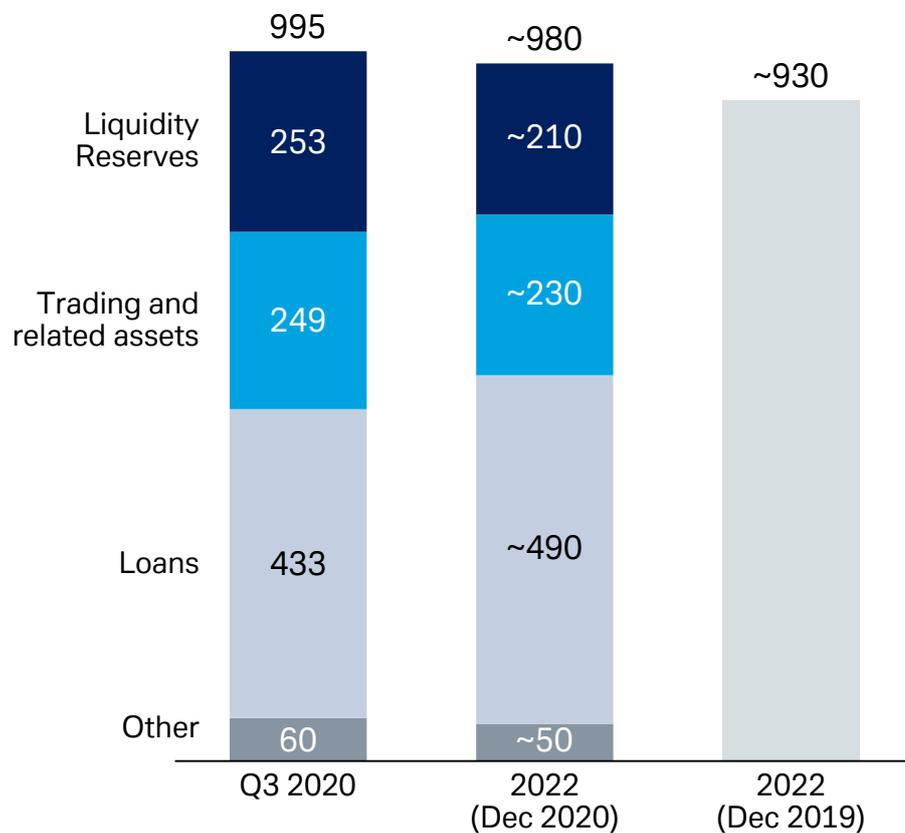
(2) Items include specific revenue items, impairments of goodwill and other intangible assets, transformation costs, restructuring and severance, deferred tax asset valuation and share based payments adjustments. 9M 2020 reported return on tangible equity: 0.2%. Detailed on slide 31

(3) Includes impacts from nonoperating costs, additional equity components and tangible equity

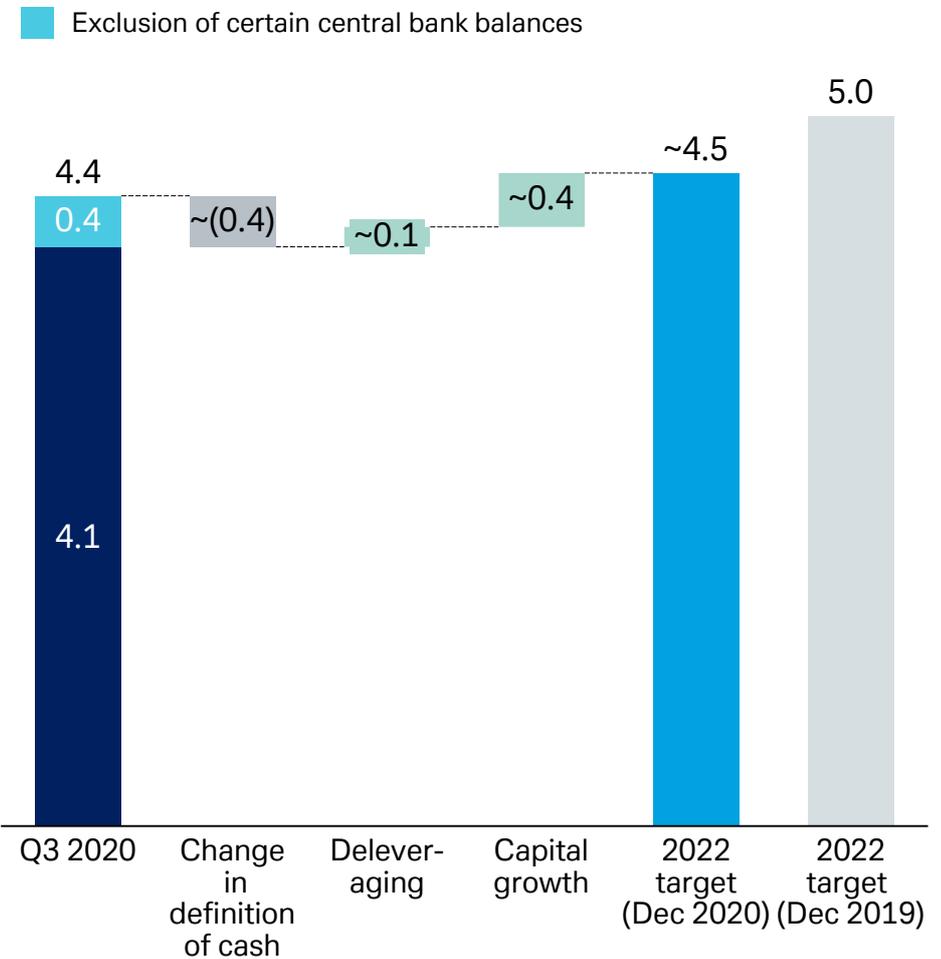
# Prudently deploying resources to offset headwinds



Net balance sheet<sup>(1)</sup> (€ bn)



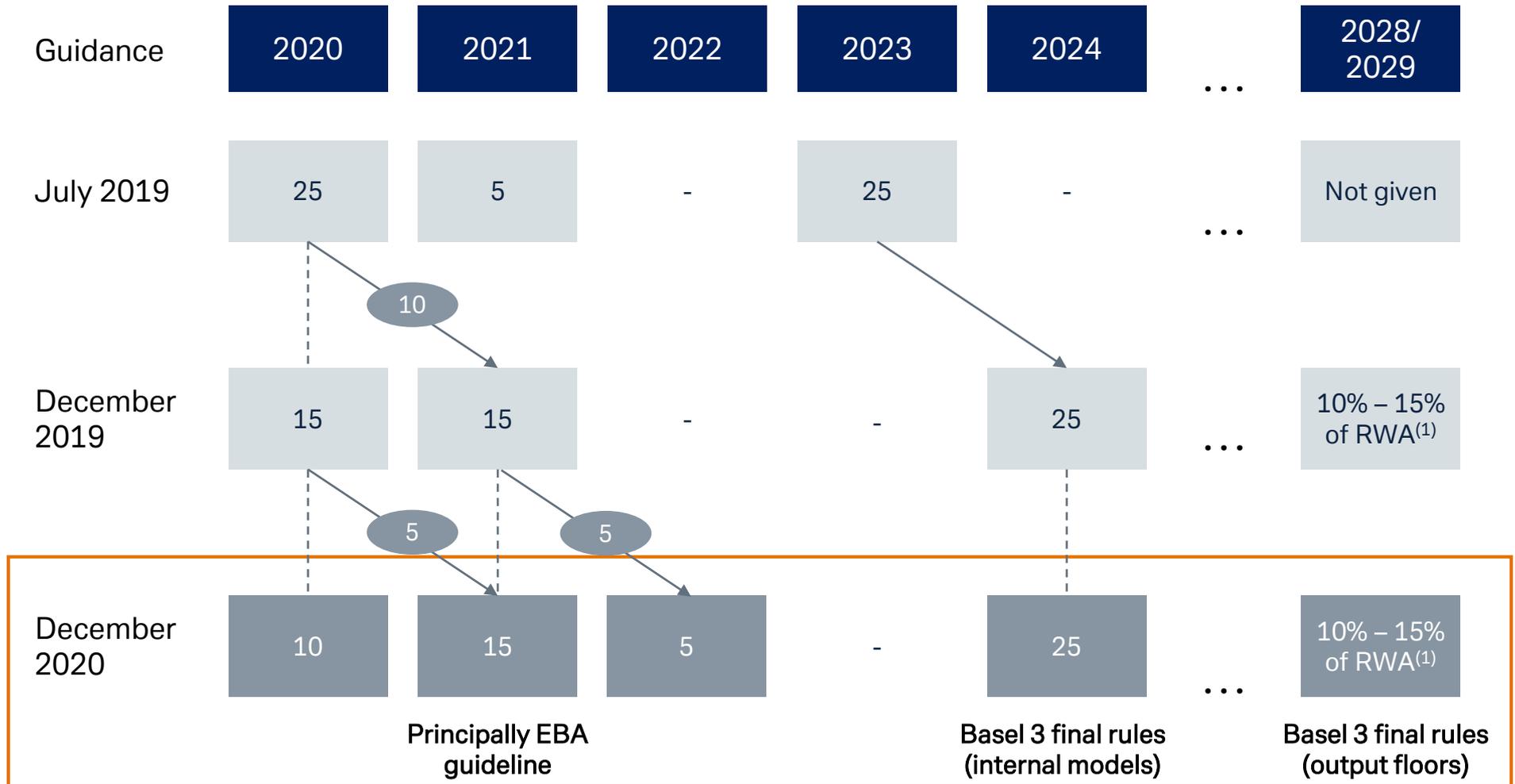
Leverage ratio (in %)



(1) Net balance sheet of € 995bn is defined as IFRS balance sheet (€ 1,388bn) adjusted to reflect the funding required after recognizing (i) legal netting agreements (€ 267bn), cash collateral received (€ 47bn) and paid (€ 40bn) and offsetting pending settlement balances (€ 39bn)

# Well positioned to offset regulatory headwinds

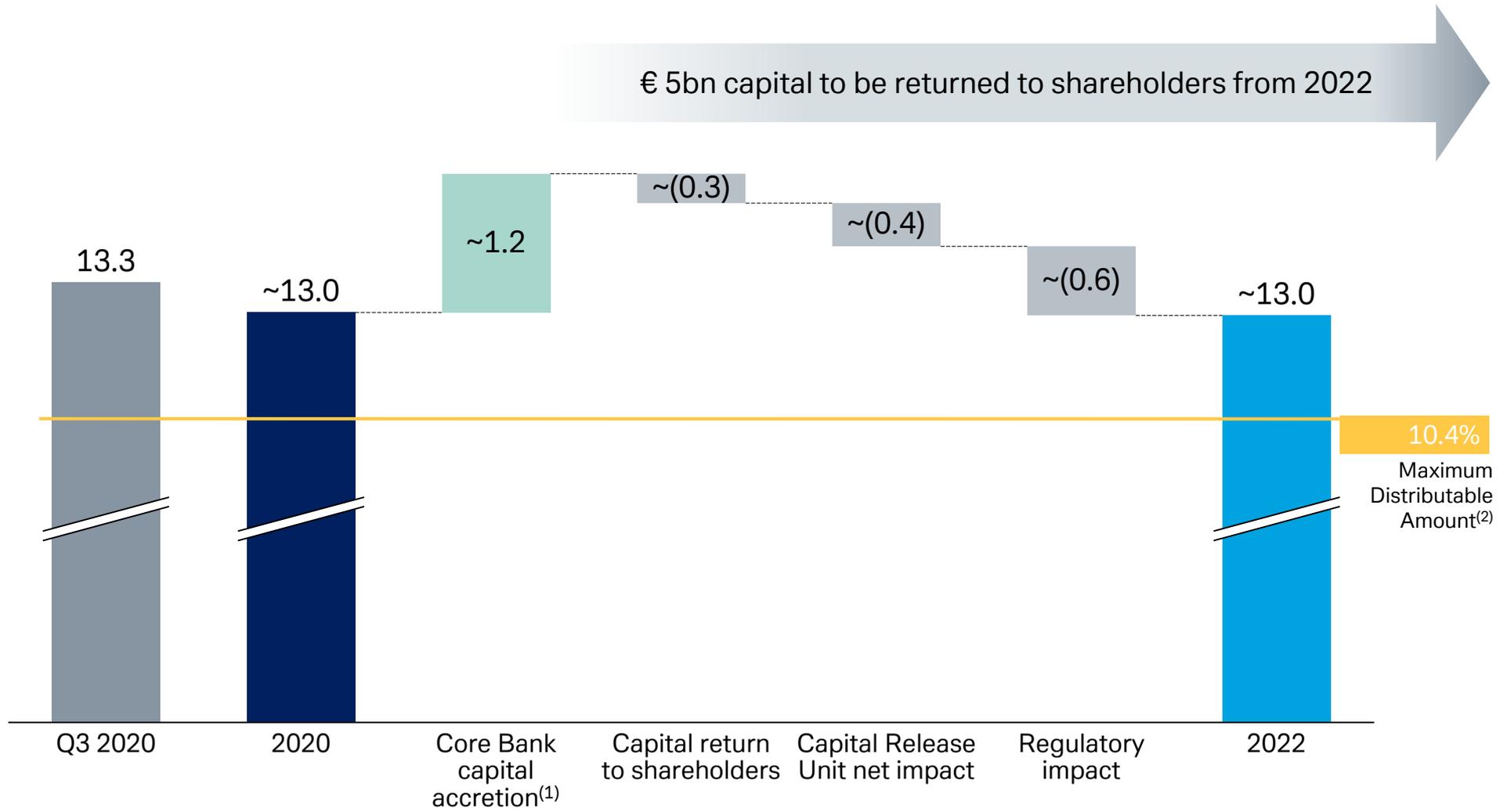
Risk weighted assets, in € bn



(1) Compared to Q3 2020 total risk weighted assets

# Managing our capital position

CET1 ratio outlook, in %



(1) Includes AT1 coupon payments

(2) Per 2020 regulatory / supervisory requirements

# Financial targets



	2022 targets
Group return on tangible equity	8%
Core Bank return on tangible equity	>9%
Adjusted costs <sup>(1)</sup>	€ 16.7bn
Cost income ratio	70%
CET1 ratio	>12.5%
Leverage ratio	~4.5%

(1) Adjusted costs excluding transformation charges

# Conclusion



- Dynamic approach to managing through changing macro-economic environment
- Maintain disciplined approach to capital allocation
- Continue to work towards 8% RoTE target
- € 5bn of capital for distribution to shareholders from 2022



# Appendix



# Speaker biography



James von Moltke has been Chief Financial Officer and Member of the Management Board of Deutsche Bank AG since July 2017.

Prior to joining Deutsche Bank, he was Treasurer of Citigroup. In this capacity he was responsible for capital and funding as well as liquidity and interest rate risk, and played a significant role in Citigroup's restructuring following the global financial crisis. He worked at Morgan Stanley, where he led the Financial Technology Advisory team, and spent ten years at J.P. Morgan working in New York and Hong Kong.

Born in Heidelberg, he is a dual citizen of Germany and Australia and received a Bachelor of Arts degree from New College, Oxford.

# Specific revenue items and adjusted costs – 9M 2020

In € m



	9M 2020								9M 2019							
	CB	IB	PB	AM	C&O	Core Bank	CRU	Group	CB	IB	PB	AM	C&O	Core Bank	CRU	Group
Revenues	3,915	7,396	6,144	1,631	(350)	18,735	(159)	18,575	3,958	5,494	6,203	1,662	103	17,420	396	17,816
DVA - IB Other / CRU	-	29	-	-	-	29	(1)	28	-	(126)	-	-	-	(126)	(19)	(146)
Change in valuation of an investment - FIC S&T	-	21	-	-	-	21	-	21	-	101	-	-	-	101	-	101
Sal. Oppenheim workout - Wealth Management	-	-	48	-	-	48	-	48	-	-	84	-	-	84	-	84
Update in valuation methodology - CRU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(81)	(81)
Revenues ex. specific items	3,915	7,345	6,096	1,631	(350)	18,636	(158)	18,478	3,958	5,519	6,119	1,662	103	17,361	497	17,858

	9M 2020								9M 2019							
	CB	IB	PB	AM	C&O	Core Bank	CRU	Group	CB	IB	PB	AM	C&O	Core Bank	CRU	Group
Noninterest expenses	3,222	4,158	5,739	1,128	367	14,614	1,574	16,189	3,565	4,842	5,997	1,273	296	15,972	2,708	18,681
Impairment of goodwill and other intangible assets	-	-	-	0	-	0	-	0	492	-	545	-	-	1,037	-	1,037
Litigation charges, net	95	(2)	79	(1)	12	183	16	199	(12)	144	(39)	1	100	195	65	260
Restructuring and severance	59	19	385	32	8	505	11	515	27	121	(18)	38	54	222	110	332
Adjusted costs	3,068	4,140	5,275	1,096	347	13,926	1,548	15,474	3,057	4,577	5,508	1,234	143	14,519	2,533	17,051
Transformation charges	44	62	73	1	(19)	162	121	283	6	77	17	9	2	111	426	537
Adjusted costs ex. transformation charges	3,024	4,078	5,202	1,095	366	13,764	1,427	15,191	3,051	4,500	5,491	1,225	141	14,408	2,106	16,514

# Adjusted profit (loss) before tax (PBT)

In € m



	9M 2020						9M 2019					
	Reported PBT	Specific revenue items	Transformation charges	Goodwill impairments	Restructuring & severance	Adjusted PBT	Reported PBT	Specific revenue items	Transformation charges <sup>(1)</sup>	Goodwill impairments	Restructuring & severance	Adjusted PBT
CB	399	-	44	-	59	503	213	-	6	492	27	739
IB	2,575	(51)	62	-	19	2,606	562	26	77	-	121	785
PB	(133)	(48)	73	-	385	277	(18)	(84)	17	545	(18)	442
AM	387	-	1	0	32	421	291	-	9	-	38	338
C&O	(597)	-	(19)	-	8	(608)	(76)	-	2	-	54	(21)
Core Bank	2,630	(99)	162	0	505	3,198	971	(58)	111	1,037	222	2,283
CRU	(1,784)	1	121	-	11	(1,650)	(2,313)	100	426	-	110	(1,676)
Group	846	(97)	283	0	515	1,548	(1,341)	42	537	1,037	332	607

# Operating leverage<sup>(1)</sup>

In € m, unless stated otherwise



## Revenues

	FY 2019	FY 2018	FY 2019 vs. FY 2018
Group - Revenues	23,165	25,316	(8)%
Specific revenue items	(8)	691	n.m.
Group revenues ex. specific items	23,173	24,625	(6)%
CB	5,244	5,221	0%
IB	7,016	7,295	(4)%
PB	8,101	8,153	(1)%
AM	2,332	2,187	7%
C&O	147	(142)	n.m.
Core Bank	22,840	22,714	1%
CRU	332	1,911	(83)%

	9M2020	9M 2019	9M 2020 vs. 9M 2019
Group - Revenues	18,575	17,816	4%
Specific revenue items	97	(42)	n.m.
Group revenues ex. specific items	18,478	17,858	3%
CB	3,915	3,958	(1)%
IB	7,345	5,519	33%
PB	6,096	6,119	(0)%
AM	1,631	1,662	(2)%
C&O	(350)	103	n.m.
Core Bank	18,636	17,361	7%
CRU	(158)	497	n.m.

## Expenses

	FY 2019	FY 2018	FY 2019 vs. FY 2018
Group - Noninterest expenses	25,076	23,461	7%
Impairment of goodwill and other intangible assets	1,037	0	n.m.
Litigation charges, net	473	88	n.m.
Restructuring and severance	805	563	43%
Group - Adjusted costs	22,761	22,810	(0)%
Transformation charges	1,145	0	n.m.
Group - Adjusted costs ex. transformation charges	21,616	22,810	(5)%
CB	4,069	3,802	7%
IB	5,824	6,181	(6)%
PB	7,272	7,524	(3)%
AM	1,644	1,657	(1)%
C&O	202	317	(36)%
Core Bank	19,011	19,481	(2)%
CRU	2,605	3,329	(22)%

FY 2019 operating leverage <sup>(1)</sup>
(1)%
(7)%
2%
3%
7%
n.m.
3%
(61)%

	9M2020	9M 2019	9M 2020 vs. 9M 2019
Group - Noninterest expenses	16,189	18,681	(13)%
Impairment of goodwill and other intangible assets	0	1,037	(100)%
Litigation charges, net	199	260	(24)%
Restructuring and severance	515	332	55%
Group - Adjusted costs	15,474	17,051	(9)%
Transformation charges	283	537	(47)%
Group - Adjusted costs ex. transformation charges	15,191	16,514	(8)%
CB	3,024	3,051	(1)%
IB	4,078	4,500	(9)%
PB	5,202	5,491	(5)%
AM	1,095	1,225	(11)%
C&O	366	141	159%
Core Bank	13,764	14,408	(4)%
CRU	1,427	2,106	(32)%

9M 2020 operating leverage <sup>(1)</sup>
11%
(0)%
42%
5%
9%
n.m.
12%
n.m.

Note: For 9M 2020, reported operating leverage (year-on-year change in % of revenues less year-on-year change in % of noninterest expenses) was 18% for Group, 9% for CB, 49% for IB, 3% for PB, 10% for AM, n.m. for C&O, 16% for Core Bank and n.m. for CRU

(1) Year-on-year change in % of revenues excluding specific items less year-on-year change in % of adjusted costs ex. transformation charges

# Adjusted return on tangible equity

In € m, unless stated otherwise



	9M 2020	
	Core Bank	Group
<b>Profit (loss)</b>	<b>1,719</b>	<b>435</b>
Profit (loss) attributable to noncontrolling interests	(87)	(87)
Profit (loss) attributable to additional equity components	(249)	(286)
<b>Profit (loss) attributable to Deutsche Bank shareholders</b>	<b>1,384</b>	<b>62</b>
Revenue specific items	(99)	(97)
Transformation charges	162	283
Goodwill impairment	0	0
Restructuring & severance	505	515
Tax adjustments	(145)	(183)
of which: Tax effect of above adjustment items <sup>(1)</sup>	(159)	(197)
of which: Adjustments for share based payment related effects	(11)	(11)
of which: Adjustments for DTA valuation adjustments	25	25
<b>Adjusted profit (loss) attributable to Deutsche Bank shareholders</b>	<b>1,807</b>	<b>582</b>
Average tangible shareholders' equity	42,914	49,299
<b>Adjusted Post-tax RoTE (in %)</b>	<b>5.6</b>	<b>1.6</b>

(1) Pre-tax adjustments taxed at a rate of 28%

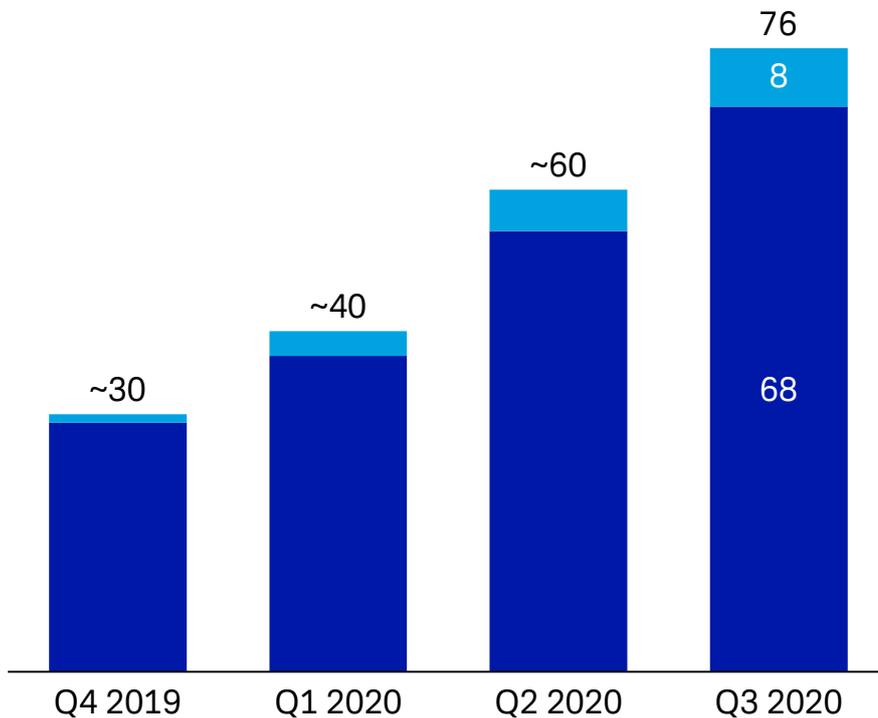
# Deposit charging

In € bn, unless otherwise stated

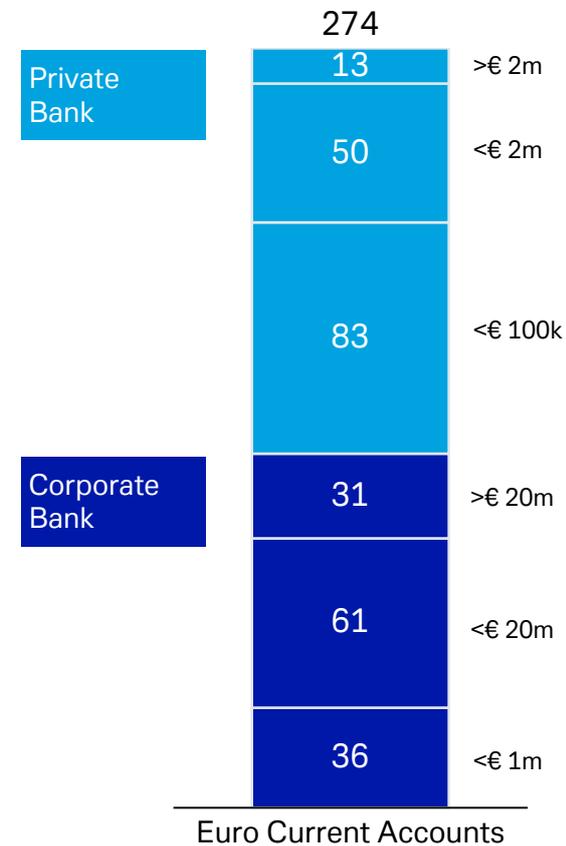


## Charging agreements<sup>(1)</sup>

■ Private Bank  
■ Corporate Bank



## Q3 2020 deposit volumes by total client holdings



(1) Total € current account balances of Corporate Bank and Private Bank deposits with implemented charging agreements. Individual charging thresholds apply

# Macroeconomic assumptions



	2020	2021	2022		
GDP growth (in %)	Global	(4.8)	4.1	3.6	GDP to recover to pre-COVID-19 levels only by early 2022
	Germany	(5.5)	4.1	2.8	

	2020	2021	2022		
Interest rates (3 months, in %)	EUR	(0.52)	(0.54)	(0.52)	Lower for longer interest rates
	USD	0.25	0.28	0.39	

# Cautionary statements



## Non-IFRS Financial Measures

This document contains non-IFRS financial measures. For a reconciliation to directly comparable figures reported under IFRS, to the extent such reconciliation not provided herein, please refer to the Financial Data Supplement which can be downloaded from [www.db.com/ir](http://www.db.com/ir).

## Forward-Looking Statements

This document 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).