



Investor Deep Dive

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Chief Financial Officer

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Deutsche Bank

Summary



➤ On track to reach short-term targets

➤ Affirming 8% return on tangible equity target for 2022 – working to fully overcome headwinds

➤ Cost reductions driven by infrastructure, technology, Capital Release Unit and German retail integration

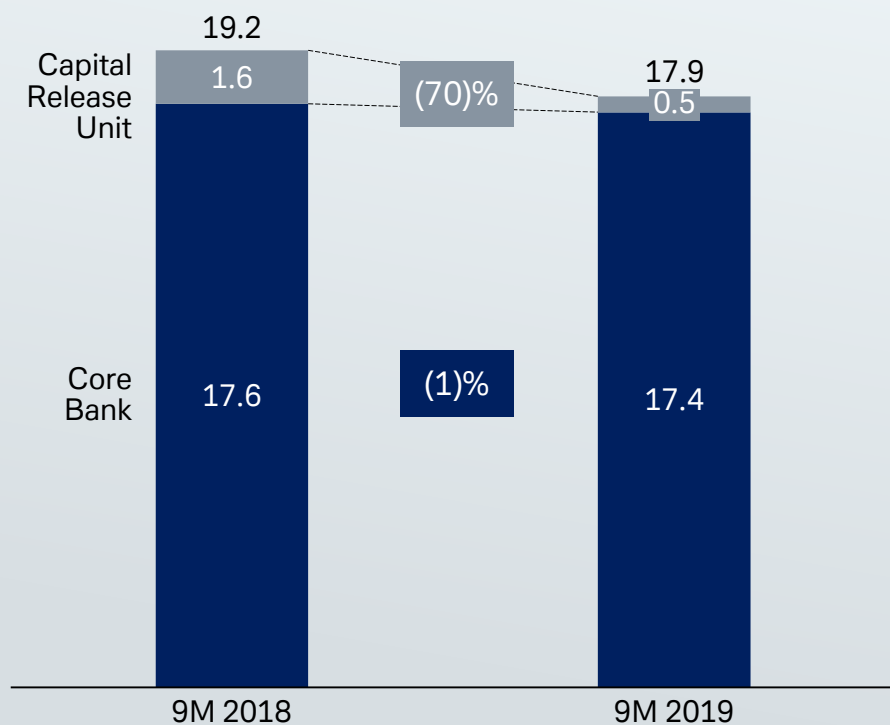
➤ Disciplined capital management to maintain CET 1 ratio at or above target levels

Stabilizing the Core Bank

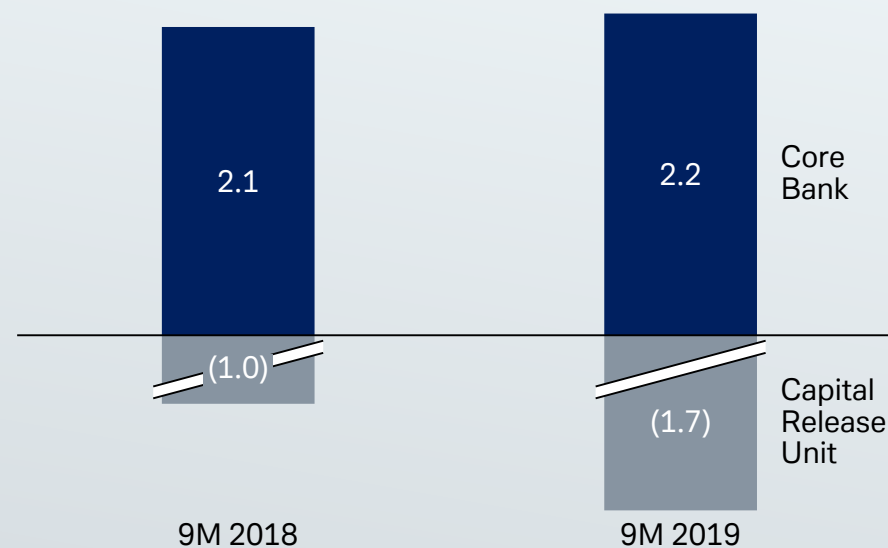
Excluding specific items⁽¹⁾, in € bn



Revenues⁽²⁾



Adjusted profit before tax⁽³⁾



Note: Throughout this presentation totals may not sum due to rounding differences

(1) Specific items defined on slide 18

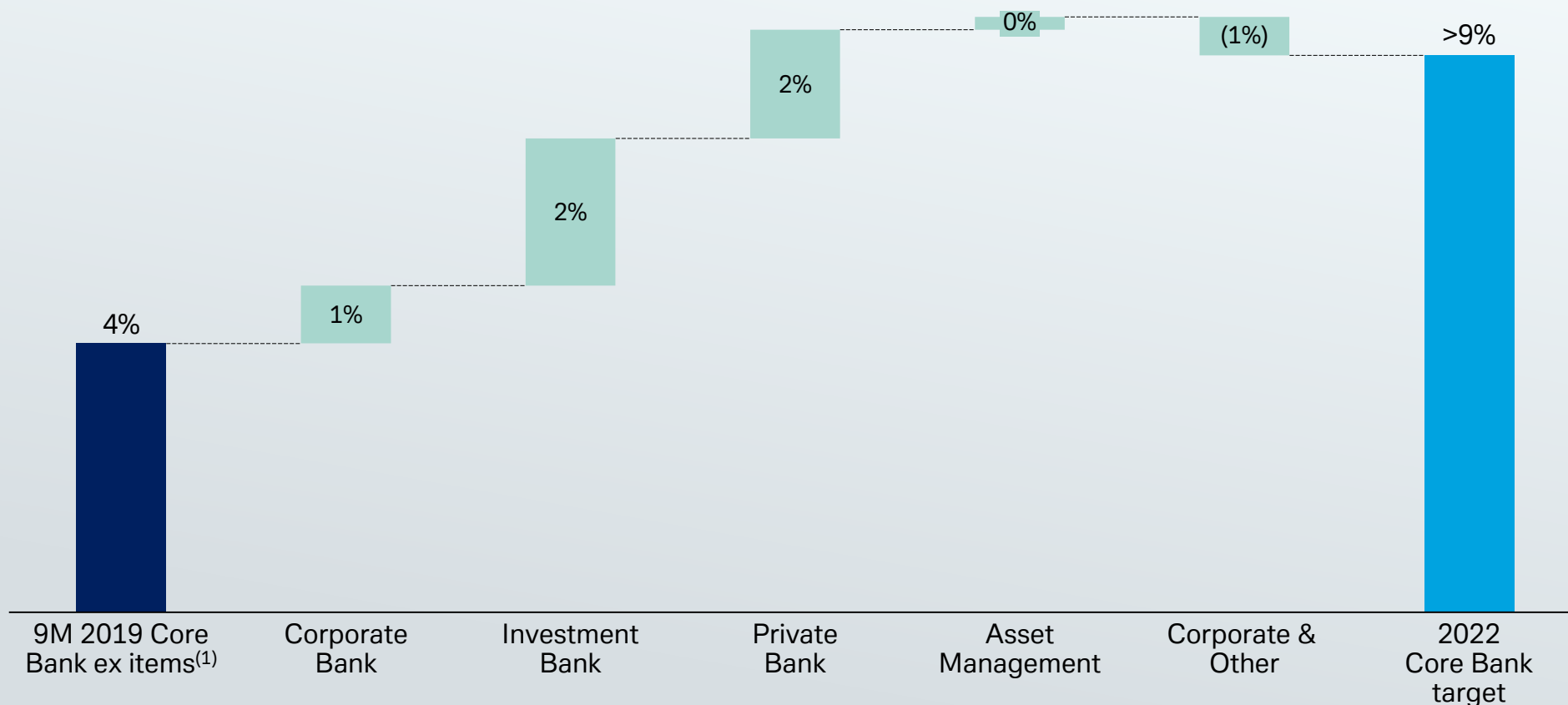
(2) Excluding specific revenue items

(3) Based on revenues ex specific items and noninterest expenses ex transformation related charges (9M 2019 transformation charges: € 111m, Q3 2019 transformation related restructuring and severance: € 135m and 9M 2019 impairment of goodwill: € 1,037m)

All businesses support improving Core Bank profitability



Post-tax return on tangible equity, in %



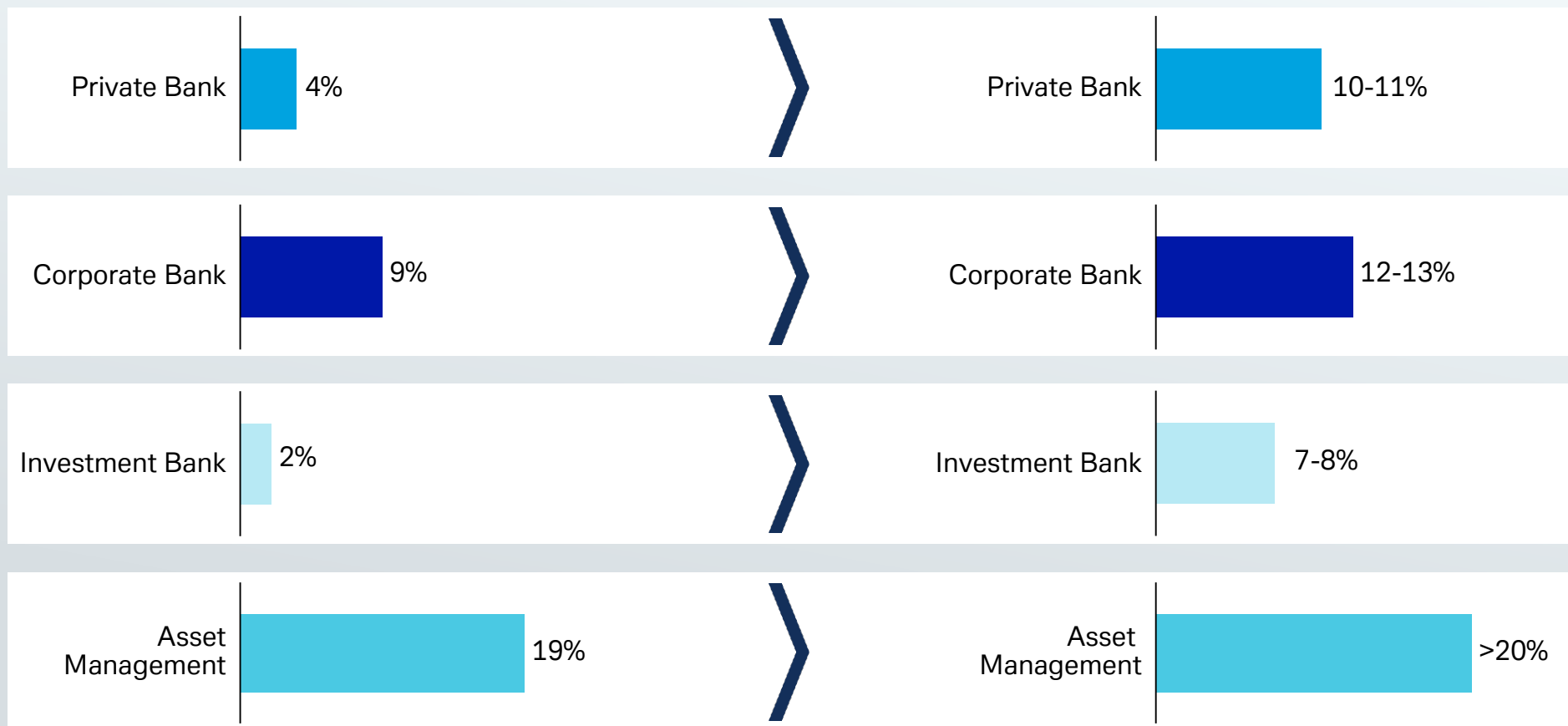
(1) Items include specific revenue items, impairments of goodwill and other intangible assets, software and real estate impairments, transformation related restructuring and severance and deferred tax asset valuation adjustments. 9M 2019 reported post-tax return on tangible equity: (10.3)%. For further details see slides 18 and 19

Improving returns over time



2018 post-tax return on tangible equity⁽¹⁾

2022 targeted post-tax return on tangible equity



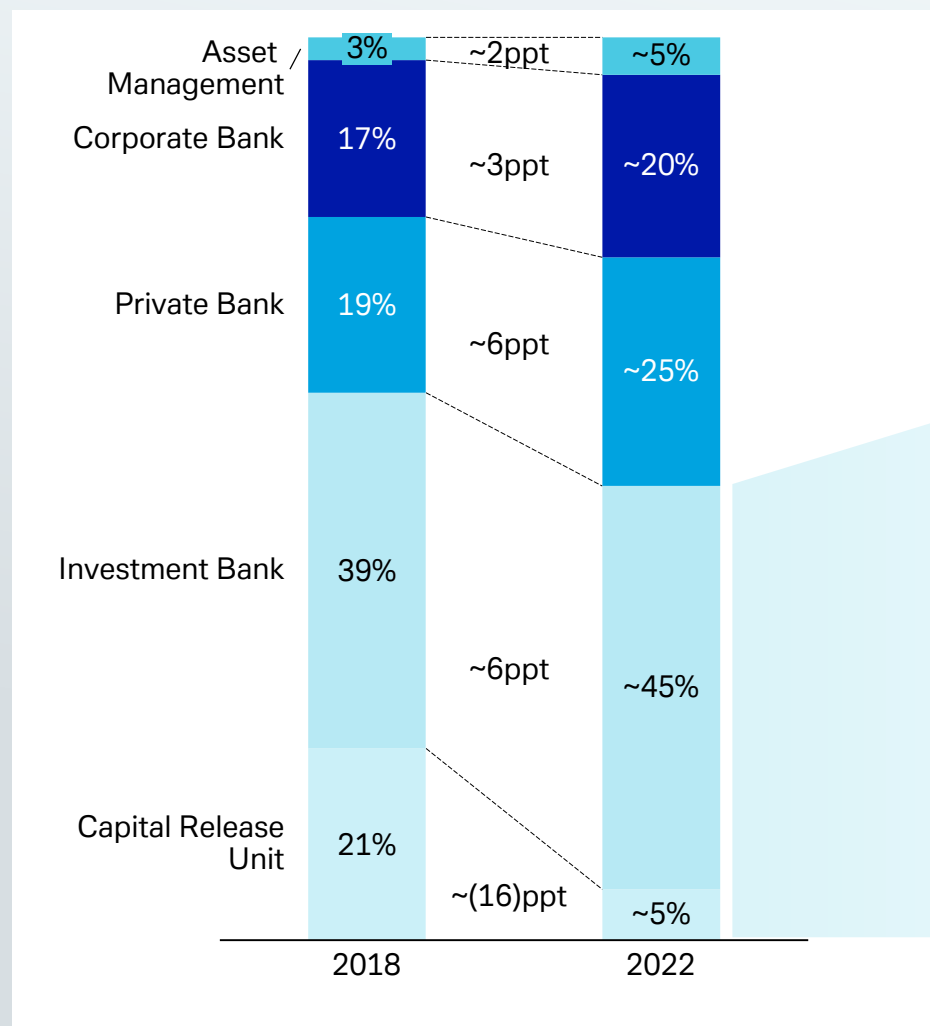
(1) 2018 post-tax return on tangible equity includes refinements of revenue and cost allocations between the Corporate Bank and the Private Bank to be reflected in our financial disclosure from Q4 2019. See page 20 for further details. 2018 Corporate Bank reported post-tax return on tangible equity: 10%, Private Bank: 4%

Targeted reallocation of resources

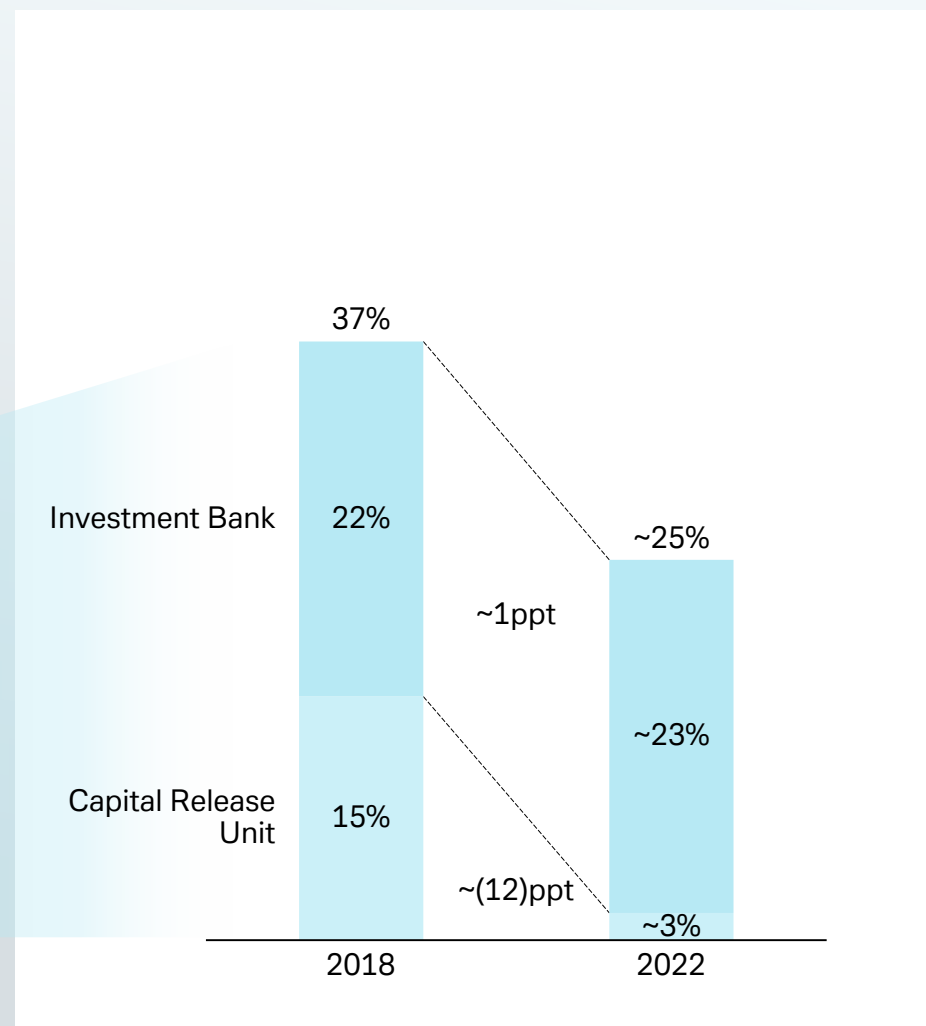
Average allocated tangible shareholders equity



Group

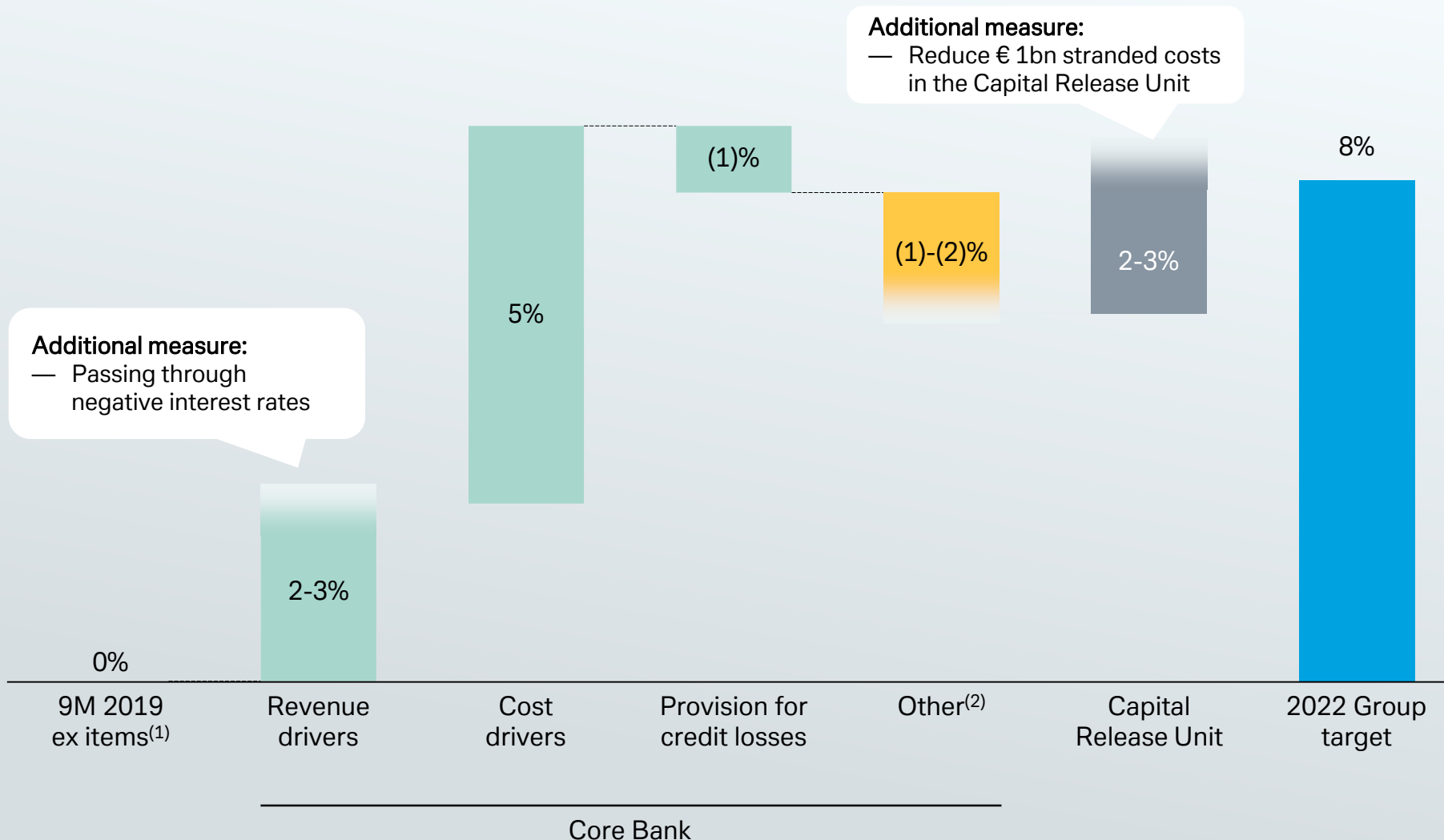


Sales & Trading



Our path to improved Group profitability

Post-tax return on tangible equity, in %



(1) Items include specific revenue items, impairments of goodwill and other intangible assets, software and real estate impairments, transformation related restructuring and severance and deferred tax asset valuation adjustments. 9M 2019 reported post-tax return on tangible equity: (10.3)%. For further details see slides 18 and 19

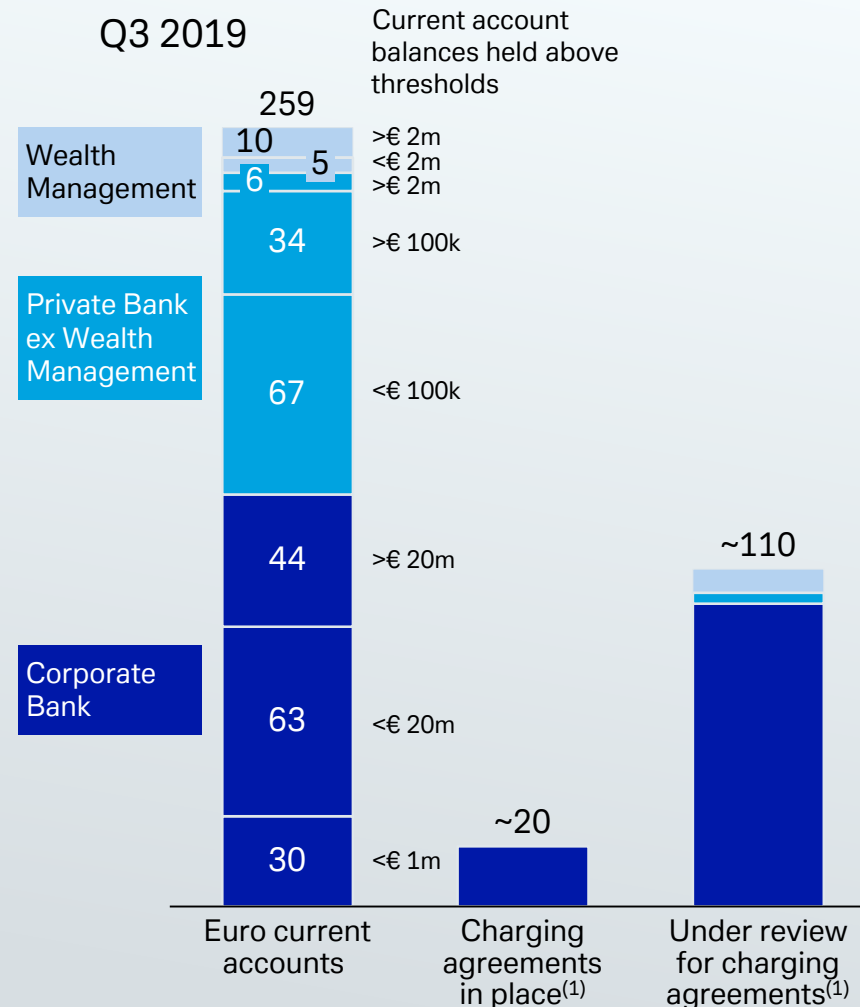
(2) Includes impacts from nonoperating costs, tax, additional equity components and tangible equity

Mitigation measures to offset headwinds

In € bn, unless otherwise stated



		2022
Revenue plan (as of 8 July)		~25.0
Change vs. July	Interest rate impact	~(0.9)
	More conservative equity market assumptions	~(0.3)
Revenue plan (as of 10 Dec)		~23.8
Mitigation measures in place	Perimeter adjustments	~0.6
	ECB tiering	~0.1
	Passing through negative interest rates	~0.1
Revenue plan (as of 10 Dec)		~24.5
Additional pass through of negative interest rates		To be determined



(1) Indicates current account balances held by clients. Thresholds and client behaviour will impact actual balances charged

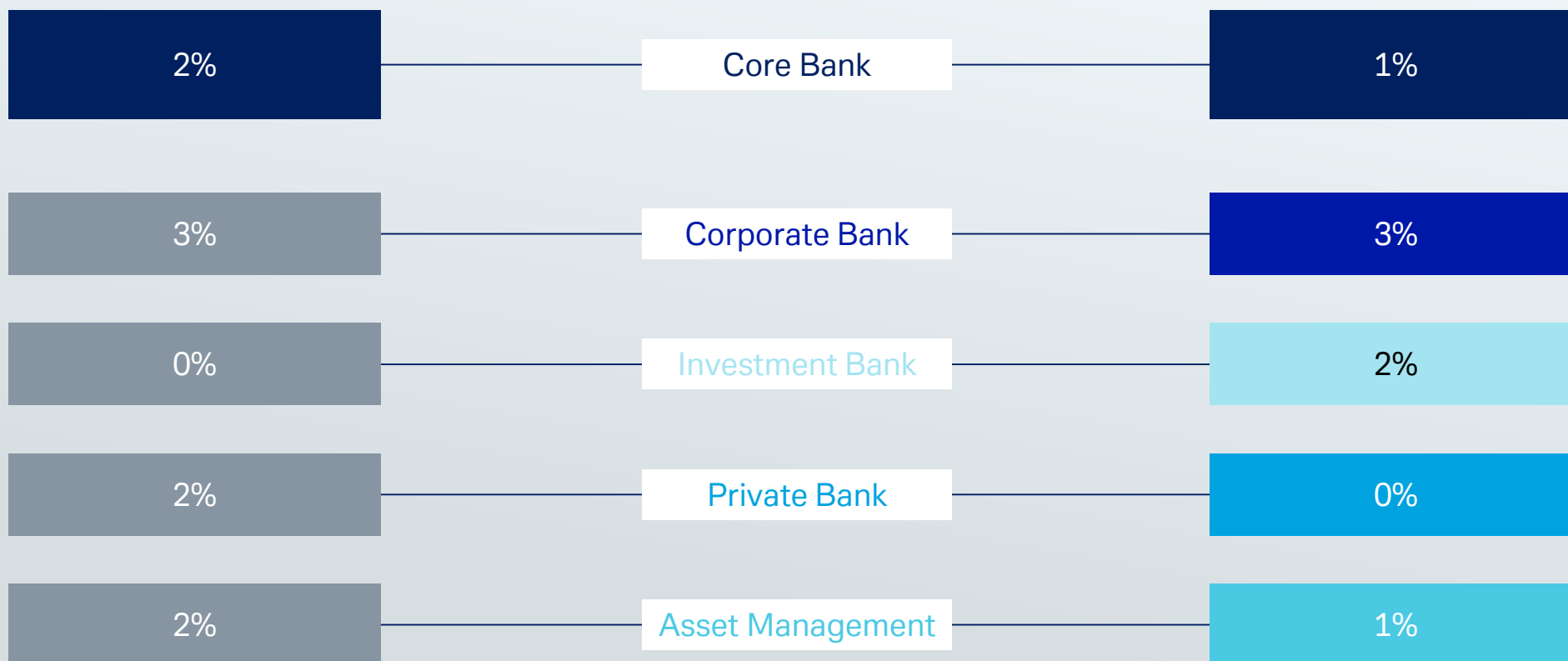
Updated revenue growth assumptions

Compound annual growth rate in revenues



Strategy announcement
(July)
Operating⁽¹⁾
2018 – 2022

Updated plan
Reported⁽²⁾
2018 – 2022

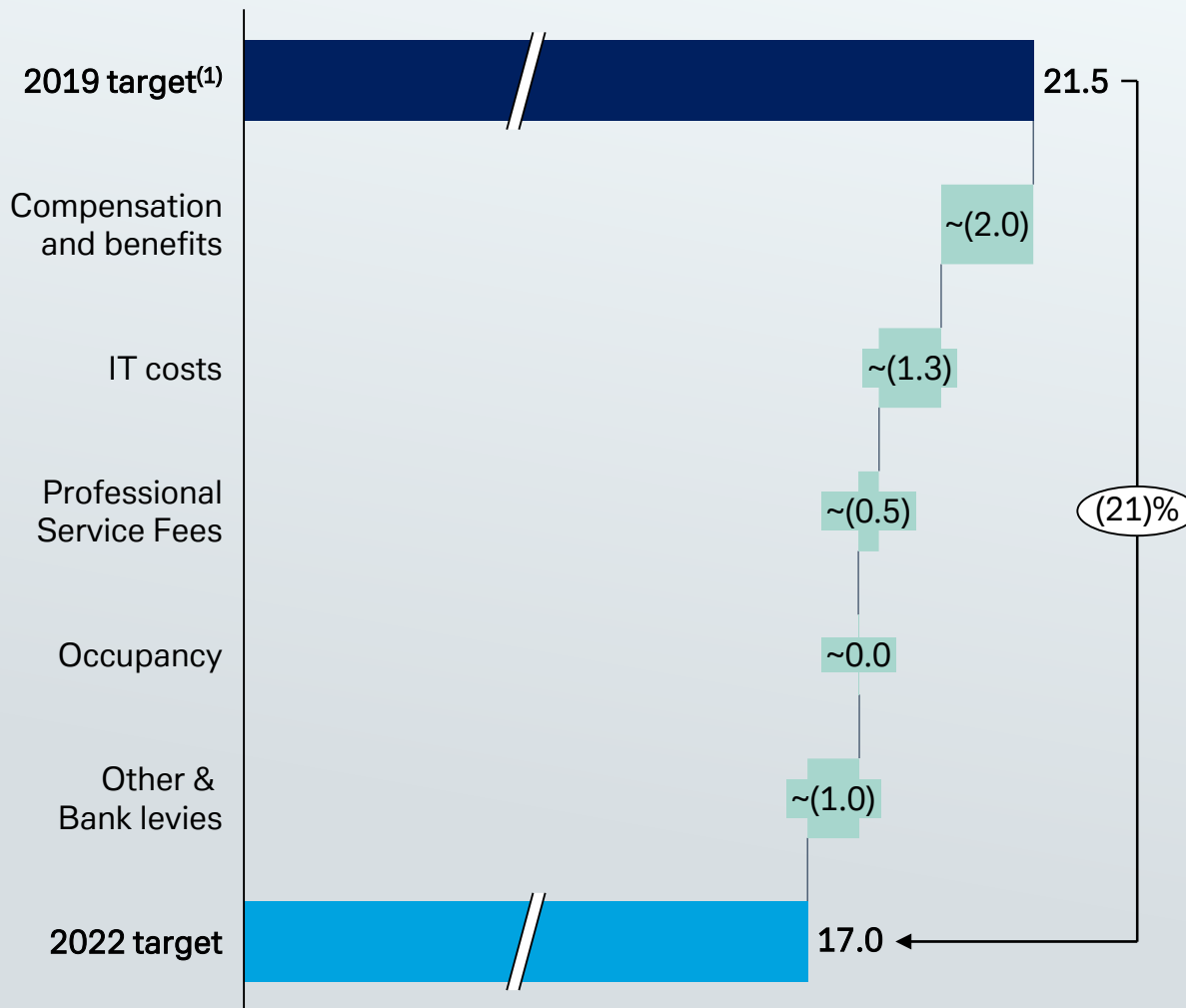


(1) Excluding interest rate and balance sheet efficiency impacts

(2) Including interest rate and balance sheet efficiency impacts

Targeting a material reduction in adjusted costs

Adjusted costs ex transformation charges, in € bn



- Compensation and benefit cost reduction primarily driven by smaller workforce. Focus on preserving revenue-generating capabilities
- IT costs benefit from lower impairments. Reaffirm € 13bn IT spend in 2018 – 2022
- Ongoing management efforts to reduce professional service fees
- Occupancy costs to remain flat as space reduction and building optimization offset inflation and planned upgrades. Reducing our square meterage by ~25%
- Bank levy reduction in line with smaller balance sheet

(1) Excluding impact from Prime Finance platform to be transferred to BNP Paribas

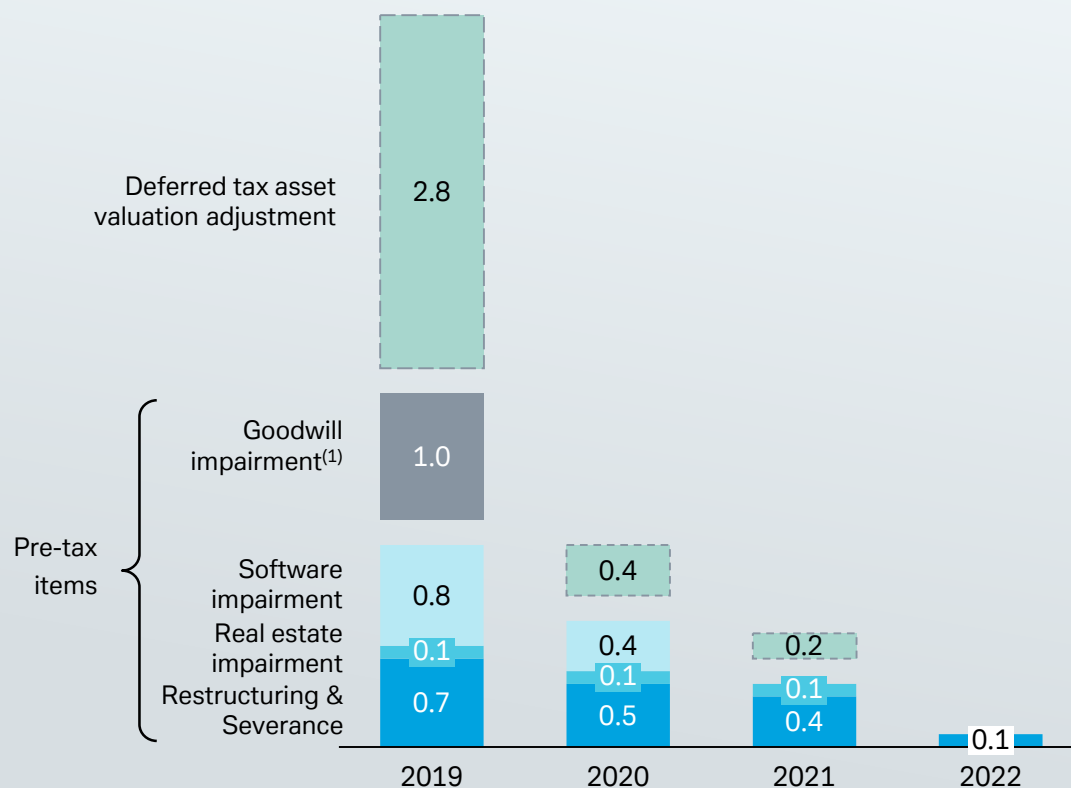
Benefitting from investments in cost management tools



	What?	Benefits	When?
Cost Catalyst program	Identifies and tracks cost reduction measures Flagship program to drive cultural change	Tangible cost impact of identified measures Employee engagement	Initiated in Q2 2018
Driver Based Cost Management	Granular activity based charging of infrastructure costs to businesses	Transparency on cost of internal services Provides measures on a unit cost basis	Launched in H2 2019, starting with non-technology infrastructure
Process mapping	Use digital footprints to measure and visualize process flows	More efficient and effective process optimization Find and eliminate bottlenecks and duplications	Q4 2019
External spend governance	Decision making body overseeing external spend behaviour	Cross-divisional governance with clear expense line ownership driving more disciplined external spend	Implemented in 2018
Balanced Scorecards	Manages and tracks implementation of key objectives	Prioritization Accountability Data accuracy	2018: Management Board 2019/2020: top ~200 managers

Transformation costs to execute our strategy quickly

In € bn



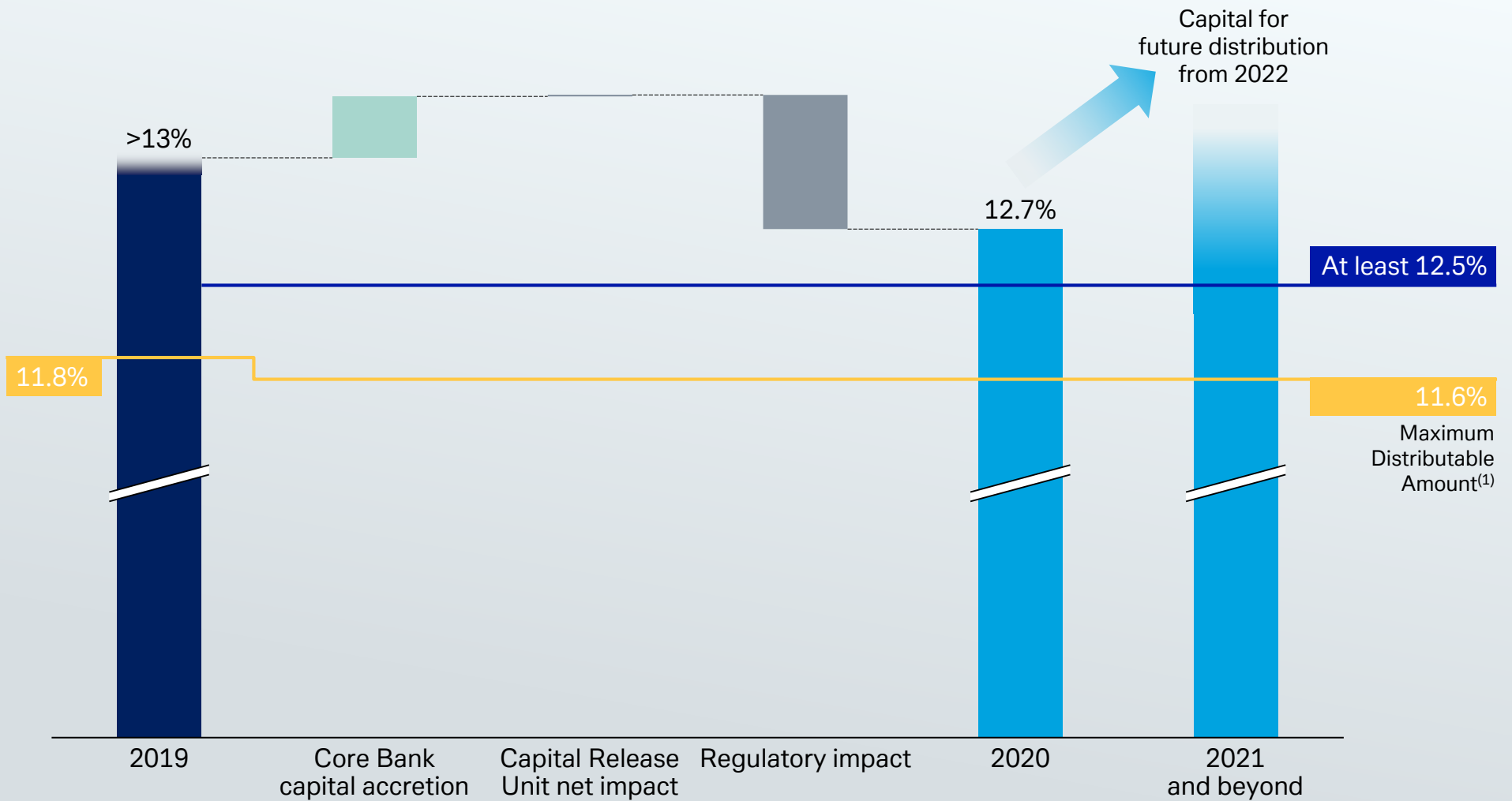
	2019 – 2022 cumulative expenses	Change vs. Strategy announcement (July 2019)
Deferred Tax Asset valuation adjustment	3.4	-
Goodwill impairment ⁽¹⁾	1.0	0.3
Software impairment	1.2	0.6
Real estate impairment	0.3	-
Restructuring & Severance	1.7	(0.6)

Note: Assumed restructuring and severance, impairments and deferred tax valuation adjustments in future periods are preliminary and subject to change. Non-tax items are shown on a pre-tax basis. See slide 18 for further details

(1) Non-tax deductible

Managing our capital position

CET1 ratio outlook, in %

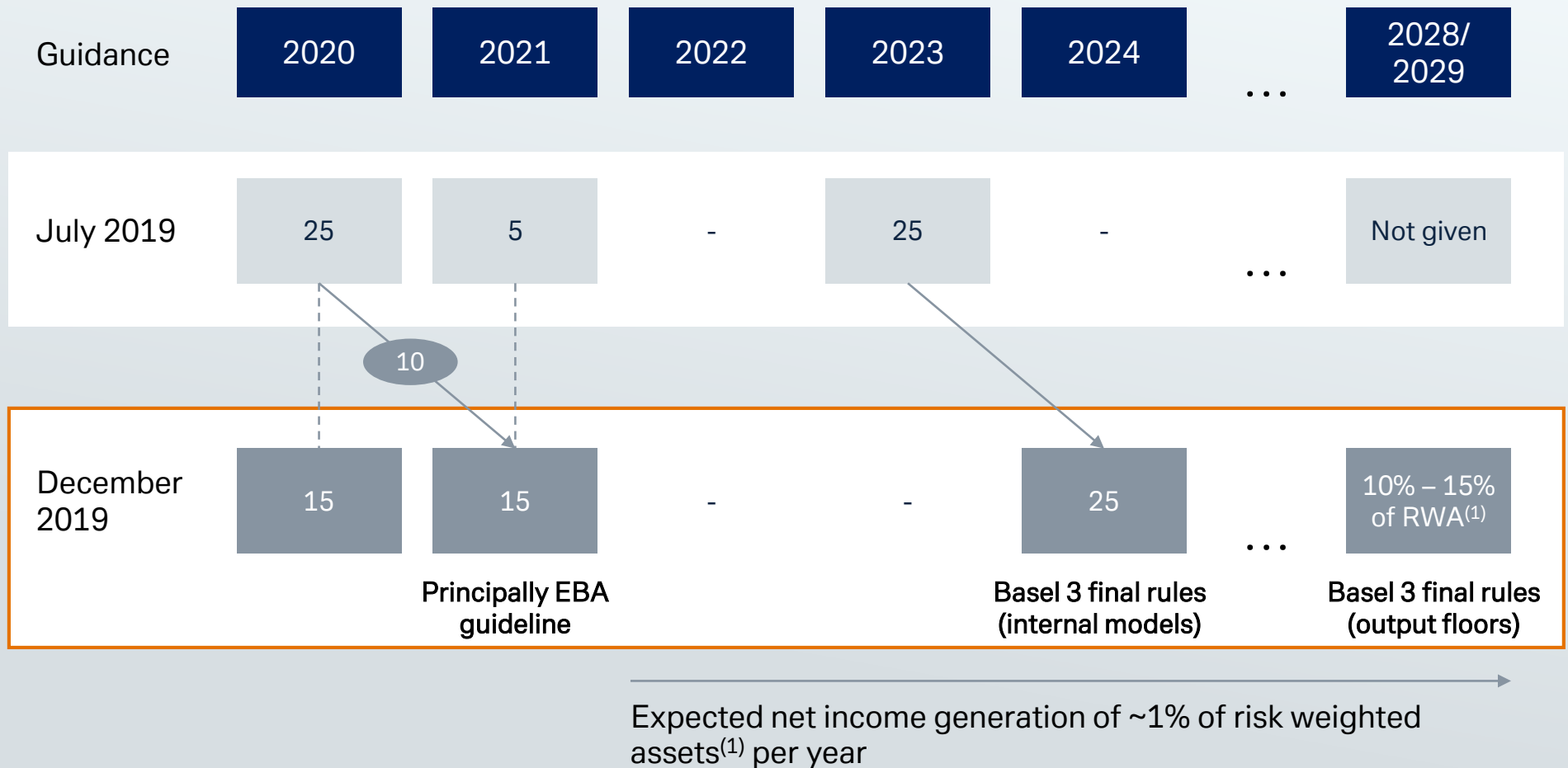


Note: 9M 2019 reported CET1 ratio: 13.4%

(1) Reduced Pillar 2 requirement of 2.5% following 2019 Supervisory Review and Evaluation Process (SREP), applicable from 1 January 2020

Well positioned to offset regulatory headwinds

Risk weighted assets, in € bn



Note: Impacts and timings of regulatory headwinds are subject to uncertainty and finalization of rules
 (1) Compared to Q3 2019 total risk weighted assets

Material improvement in leverage ratio planned

Leverage ratio (CRD 4, fully loaded), in %

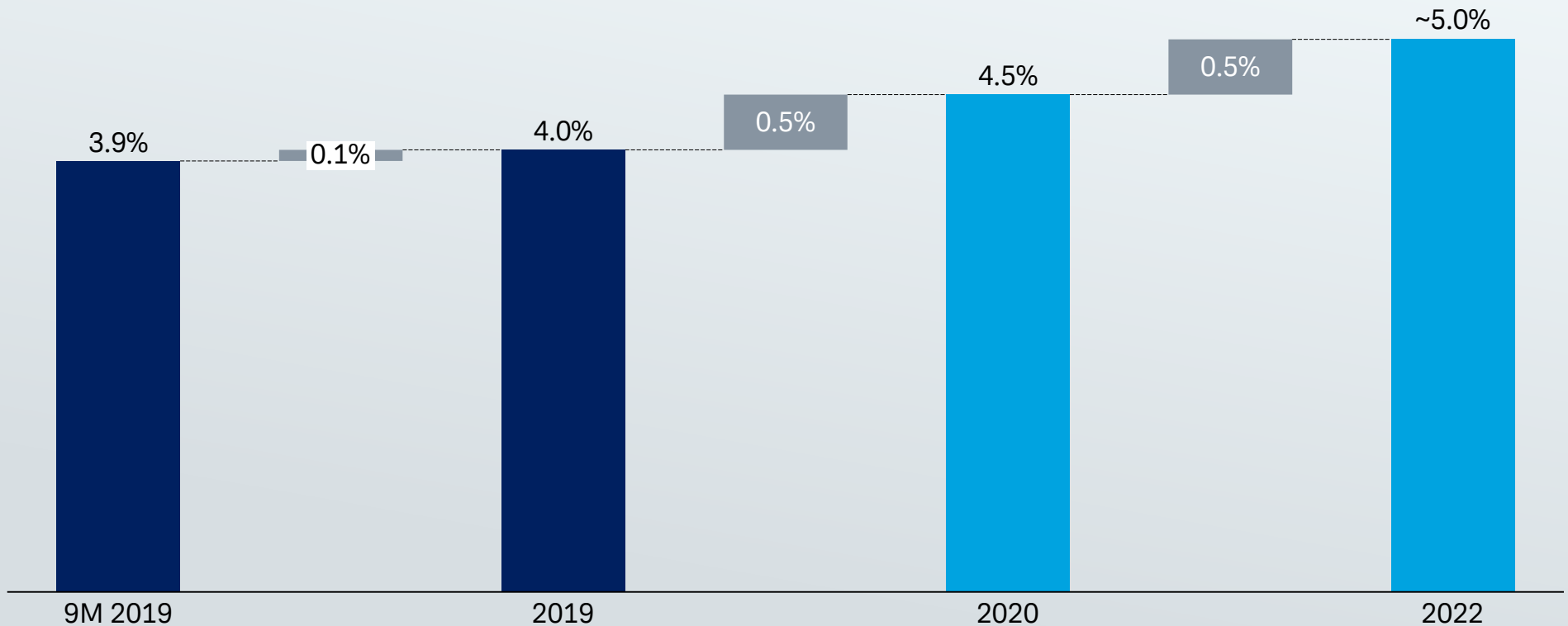


Phase 1: Run-down

~€ 100bn planned reduction from Capital Release Unit, partially offset by select business growth

Phase 2: Capital generation

Retained earnings after distributions



Near-term objectives



	2019	2020
CET1 ratio	>13%	At least 12.5%
Adjusted costs ⁽¹⁾	€ 21.5bn	€ 19.5bn
Leverage ratio	4%	4.5%

(1) Excluding transformation charges and impact from Prime Finance platform to be transferred to BNP Paribas

Financial targets



	2022
Group return on tangible equity	8%
Core Bank return on tangible equity	>9%
Adjusted costs	€ 17bn
Cost income ratio	70%
CET1 ratio	At least 12.5%
Leverage ratio	~5%



Appendix



9M 2019 specific revenue items and adjusted costs

In € m



	9M 2019								9M 2018							
	CB	IB	PB	AM	C&O	Core Bank	CRU	Group	CB	IB	PB	AM	C&O	Core Bank	CRU	Group
Revenues	3,920	5,443	6,311	1,662	95	17,431	385	17,816	3,857	6,087	6,617	1,673	(111)	18,122	1,619	19,741
DVA - IB Other / CRU ⁽¹⁾	-	(126)	-	-	-	(126)	(19)	(146)	-	59	-	-	-	59	-	59
Change in valuation of an investment - FIC S&T	-	101	-	-	-	101	-	101	-	84	-	-	-	84	-	84
Gain on sale - Global Transaction Banking	-	-	-	-	-	-	-	-	57	-	-	-	-	57	-	57
Gain from property sale - Private Bank Germany	-	-	-	-	-	-	-	-	-	-	156	-	-	156	-	156
Sal. Oppenheim workout - Wealth Management	-	-	84	-	-	84	-	84	-	-	136	-	-	136	-	136
Update in valuation methodology - CRU	-	-	-	-	-	-	(81)	(81)	-	-	-	-	-	-	-	-
Revenues ex. specific items	3,920	5,468	6,227	1,662	95	17,373	485	17,858	3,800	5,944	6,324	1,673	(111)	17,630	1,619	19,249

Noninterest expenses	3,436	4,813	6,129	1,273	288	15,940	2,740	18,681	2,794	5,021	5,752	1,307	292	15,167	2,653	17,819
Impairment of goodwill and other intangible assets	492	-	545	-	-	1,037	-	1,037	-	-	-	-	-	-	-	-
Litigation charges, net	(12)	140	(38)	1	99	191	69	260	6	83	(75)	17	50	81	(32)	49
Restructuring and severance	27	119	(17)	38	53	221	112	332	31	194	39	17	39	320	62	382
Adjusted costs	2,929	4,554	5,639	1,234	136	14,491	2,560	17,051	2,757	4,744	5,788	1,273	203	14,765	2,623	17,388
Transformation charges ⁽²⁾	6	77	17	9	2	111	426	537	-	-	-	-	-	-	-	-
Adjusted costs ex. transformation charges	2,923	4,476	5,623	1,225	134	14,381	2,134	16,514	2,757	4,744	5,788	1,273	203	14,765	2,623	17,388

(1) Including an update of the DVA valuation methodology in Q3 2019

(2) Costs related to Deutsche Bank's transformation as a result of the strategy announcement on 7 July 2019. Charges include impairment of software and real estate, legal fees related to asset disposals as well as amortization on software related to the Equities Sales and Trading business

9M 2019 impact of transformation effects

In € m, unless otherwise stated



	Reported	Transformation effects	Excluding transformation effects	Comment
Revenues	17,816	-	17,816	
Adjusted costs ⁽¹⁾	(17,051)	(537)	(16,514)	Impairment of software and accelerated depreciation of real estate assets, legal fees related to asset disposals, provisions for existing service contracts and quarterly amortization of software related to Equities
Nonoperating costs ⁽²⁾	(1,629)	(1,270)	(360)	Impairment of goodwill and Q3 2019 group-wide Restructuring and severance
Noninterest expenses	(18,681)	(1,807)	(16,874)	
Provisions for credit losses	(477)	-	(477)	
Profit (loss) before tax	(1,341)	(1,807)	465	
Net income (loss)	(3,781)	(4,076)	295	Includes above effects including taxes and valuation adjustments on Deferred Tax Assets
Cost / income ratio	105%	10 ppt	95%	
RoTE ⁽³⁾	(10)%	(10) ppt	(0)%	
Tangible book value per share (in €)	24.36	(1.20)	25.57	

(1) As detailed on slide 18

(2) Includes impairment of goodwill and other intangible assets, net litigation charges, and restructuring and severance

(3) RoTE calculated using the monthly average tangible equity through the period. As a result of the transformation charges, the tangible equity used in the reported numbers is lower than the definition excluding items

Overview of Corporate Bank / Private Bank refinements



In € m

	FY 2018								9M 2019							
	CB	IB	PB	AM	C&O	Core Bank	CRU	Group	CB	IB	PB	AM	C&O	Core Bank	CRU	Group
Net revenues	5,193	7,467	8,712	2,187	(120)	23,438	1,878	25,316	3,920	5,443	6,311	1,662	95	17,431	385	17,816
Corporate Bank / Private Bank refinements	71	-	(71)	-	-	-	-	-	52	-	(52)	-	-	-	-	-
Net revenues post refinements	5,263	7,467	8,641	2,187	(120)	23,438	1,878	25,316	3,973	5,443	6,259	1,662	95	17,431	385	17,816
Noninterest expenses	(3,697)	(6,501)	(7,742)	(1,735)	(421)	(20,096)	(3,365)	(23,461)	(3,436)	(4,813)	(6,129)	(1,273)	(288)	(15,940)	(2,740)	(18,681)
Corporate Bank / Private Bank refinements	(148)	-	148	-	-	-	-	-	(112)	-	112	-	-	-	-	-
Noninterest expenses post refinements	(3,846)	(6,501)	(7,593)	(1,735)	(421)	(20,096)	(3,365)	(23,461)	(3,548)	(4,813)	(6,018)	(1,273)	(288)	(15,940)	(2,740)	(18,681)
Adjusted costs	(3,619)	(6,172)	(7,708)	(1,657)	(311)	(19,467)	(3,343)	(22,810)	(2,929)	(4,554)	(5,639)	(1,234)	(136)	(14,491)	(2,560)	(17,051)
Corporate Bank / Private Bank refinements	(148)	-	148	-	-	-	-	-	(112)	-	112	-	-	-	-	-
Adjusted costs post refinements	(3,767)	(6,172)	(7,560)	(1,657)	(311)	(19,467)	(3,343)	(22,810)	(3,040)	(4,554)	(5,528)	(1,234)	(136)	(14,491)	(2,560)	(17,051)

Speaker biography

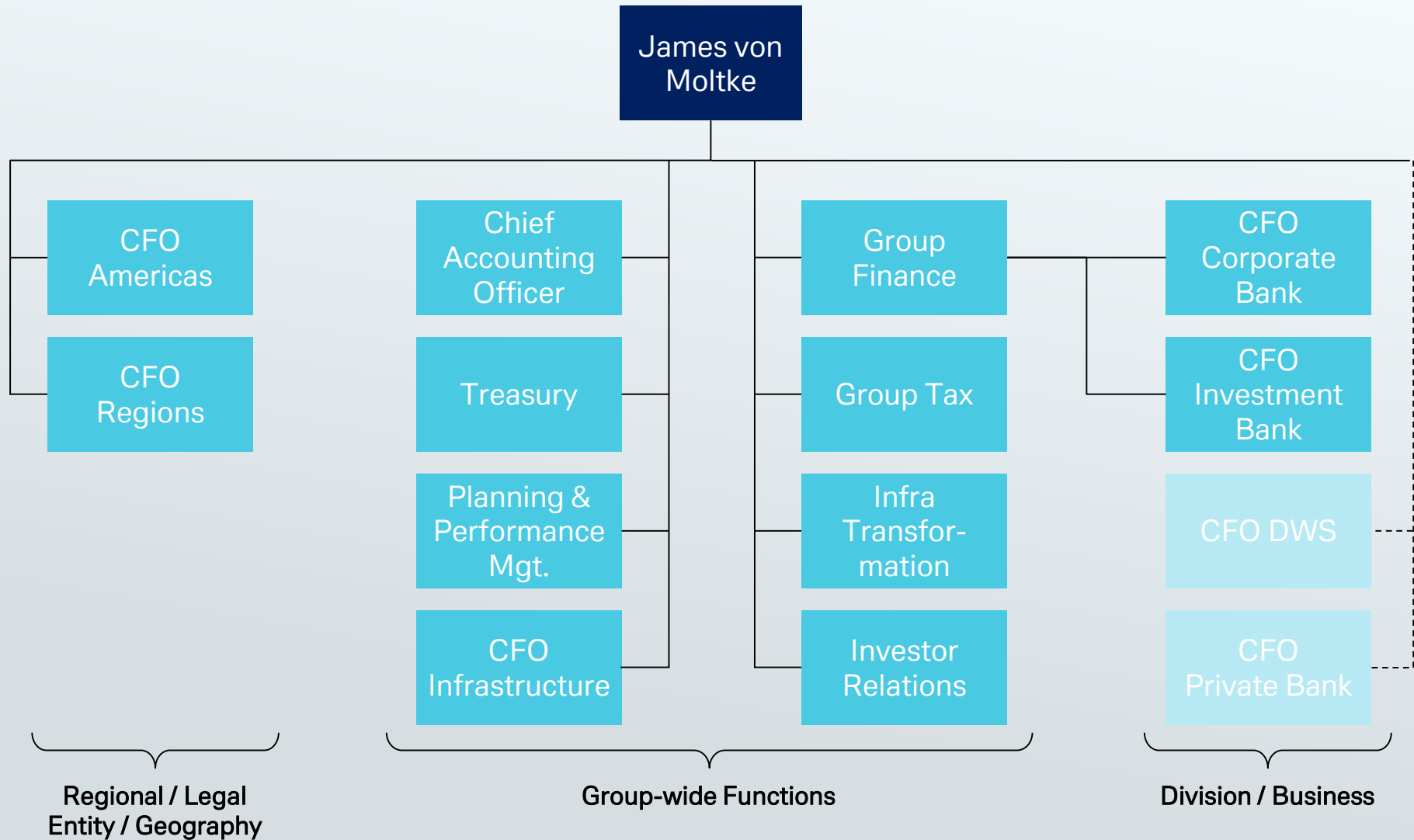


James von Moltke has been Chief Financial Officer and Member of the Management Board of Deutsche Bank AG since July 2017.

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.

CFO organisational structure



Business CFOs (solid line into MB members accountable for respective business)

Cautionary statements



Non-IFRS Financial Measures

This document contains non-IFRS financial measures. For a reconciliation to directly comparable figures under IFRS, to the extent not provided herein, please refer to the Financial Data Supplement which can be downloaded from 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 22 March 2019 under the heading “Risk Factors”. Copies of this document are readily available upon request or can be downloaded from www.db.com/ir.