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– Check against delivery –

Thank you, James.

And good morning, Ladies and Gentlemen.

With respect to the reduction of our legacy legal risk portfolio we have made good further progress in 2018. We have been resolute in our actions over the past few years and have achieved a lot. As a bank we are in a completely different situation today compared to where we were three years ago. At the beginning of 2016, 90 per cent of our provisions for legal risk were allocated toward 20 major matters. In the meantime, 19 of those 20 have been partially or completely resolved.

My colleagues in the Legal Department have done an excellent job here and are working on resolving the remaining matters and as soon as possible.

**No new matters of this magnitude and of this risk have surfaced since 2016.**

While our provisions for legal risk were 7.6 billion euros at the end of 2016, they stood at only 1.2 billion euros at the end of last year.

This shows you that we are in a much better and more secure position today than three years ago – even though a different impression might have arisen in the public opinion.

Of course, matters like Danske Bank Estonia and cum-ex, as well as the raid of our premises in connection with the Panama Papers, were not helpful in the fourth quarter of 2018.

We are taking these matters very seriously. However, at the same time we are convinced that these matters are different and have a much smaller dimension than it might seem from the current debate.

Therefore, please allow me to make the following few remarks to position these three matters correctly:

First: All three of these matters date back to before 2016. We discontinued our business relationship with Danske Bank Estonia in 2015. In cum-ex, the change in the law took effect as long ago as 2012. Our international trust business, which was the target of the November raid, was part of a strategic review back in 2015 – and the Management Board resolved to sell the relevant offshore entities in 2016.

Second: From what we know today, none of these matters bears the financial risks that we saw in connection to the major matters I mentioned earlier. To that extent, we have neither recognized any provisions nor put in place any contingent liabilities for the Panama Papers or Danske Bank Estonia.

Third: Since mid-2015, the leadership team of Deutsche Bank is determined to cooperate fully in all matters with the authorities to contribute to a rapid and comprehensive resolution – and we continue to do so. Not due to pure necessity or because we believe the allegations are founded. But, we are doing so out of conviction.

This kind of cooperation has been explicitly recognized by various authorities globally and in a number of matters.

Briefly, on the individual matters:

With regard to the **raid of our premises** by the public prosecutor in Frankfurt in November last year, it is important to understand that the financial regulator BaFin had already launched a special audit. The BaFin closed its audit at the beginning of 2018 without having identified any material breaches of anti-money laundering rules.

As early as 2015, hence before the publication of the Panama Papers, we had already initiated a program to ensure the tax honesty of clients.

In this matter, we had not been approached by the prosecutor prior to the raid with respect to any requests for information – which we would have fully complied with, of course.

We are cooperating fully with the prosecutor and are providing all of the information that is requested of us. **However, after two months of reviewing relevant material, we have no indication of any misconduct by the bank or our employees.**

In the **Danske Bank Estonia** matter we are still convinced, from all that we know today, that we complied with all of our material obligations as a correspondent bank. As far as we know, no authority has alleged so far that we breached applicable law. Nevertheless, we have initiated an internal investigation.

**In this matter too, as of today, we have not come across any misconduct.**

Here, it is important to distinguish the different roles and obligations in the correspondent banking business. The primary duties rest with the bank that has the immediate contact with the client – while the correspondent bank by contrast has downstream monitoring obligations. **The detection of individual suspicious activities does not automatically result in an immediate discontinuation of a correspondent banking relationship.**

We should be careful not to forget that the correspondent banking business is of utmost importance for cross-border payments and hence the functioning of the global economy. As Danske Bank Estonia is a bank within the Eurozone, it should be self-evident that it was anything but trivial for us – being one of the large players in the Eurozone – to end this client relationship.

With respect to so called **cum-ex transactions**, I would like to reiterate that **Deutsche Bank – unlike many other banks – did not participate in an organized cum-ex market, neither as a short seller nor as a cum-ex purchaser**. Therefore, it did not claim or receive any withholding tax refunds in connection with questionable cum-ex transactions. **Hence, we have no open issues with the tax authorities.**

However, as a securities trader, Deutsche Bank was involved in cum-ex transactions by its clients. In this regard we are cooperating closely with the authorities to come to a resolution as soon as possible. As you know, we agreed with the public prosecutor in Frankfurt in May to pay 4 million euros in disgorgement.

**But – and this is important to us – we did not have to pay a fine.**

Not only have we reduced legal risks, but we have **also further improved our internal controls and processes**.

For example, since the beginning of 2015, we have tripled to about 1,500 the number of employees who fight money laundering and other forms of financial crime.

At the same time, we are investing in automation and artificial intelligence to further enhance our controls. Over the past three years alone, we have invested 300 million euros in technology for our Anti-Financial Crime department. And we have introduced stricter KYC standards globally.

But we also know we have a remaining book of work. We are in a good and constant dialog with regulators who recognize the progress made so far, but who also expect further improvements.

It is clear to us, as the Management Board, that the reduction of our legal risk portfolio remains a top priority. We are fully committed to resolve and reduce our legacy legal risk portfolio and to make sure that this troubled history at Deutsche Bank does not repeat itself. With respect to the integrity of our business, we cannot and we will not accept any compromise.

Regarding the follow-up Q&A, I kindly ask for your understanding that due to ongoing proceedings and legal restrictions, we will not be able to elaborate much further on the legal issues. Nevertheless, I hope that my statements have provided a better understanding of the matters.

With this I would like to hand back to Christian Sewing, who will outline our further priorities for 2019.